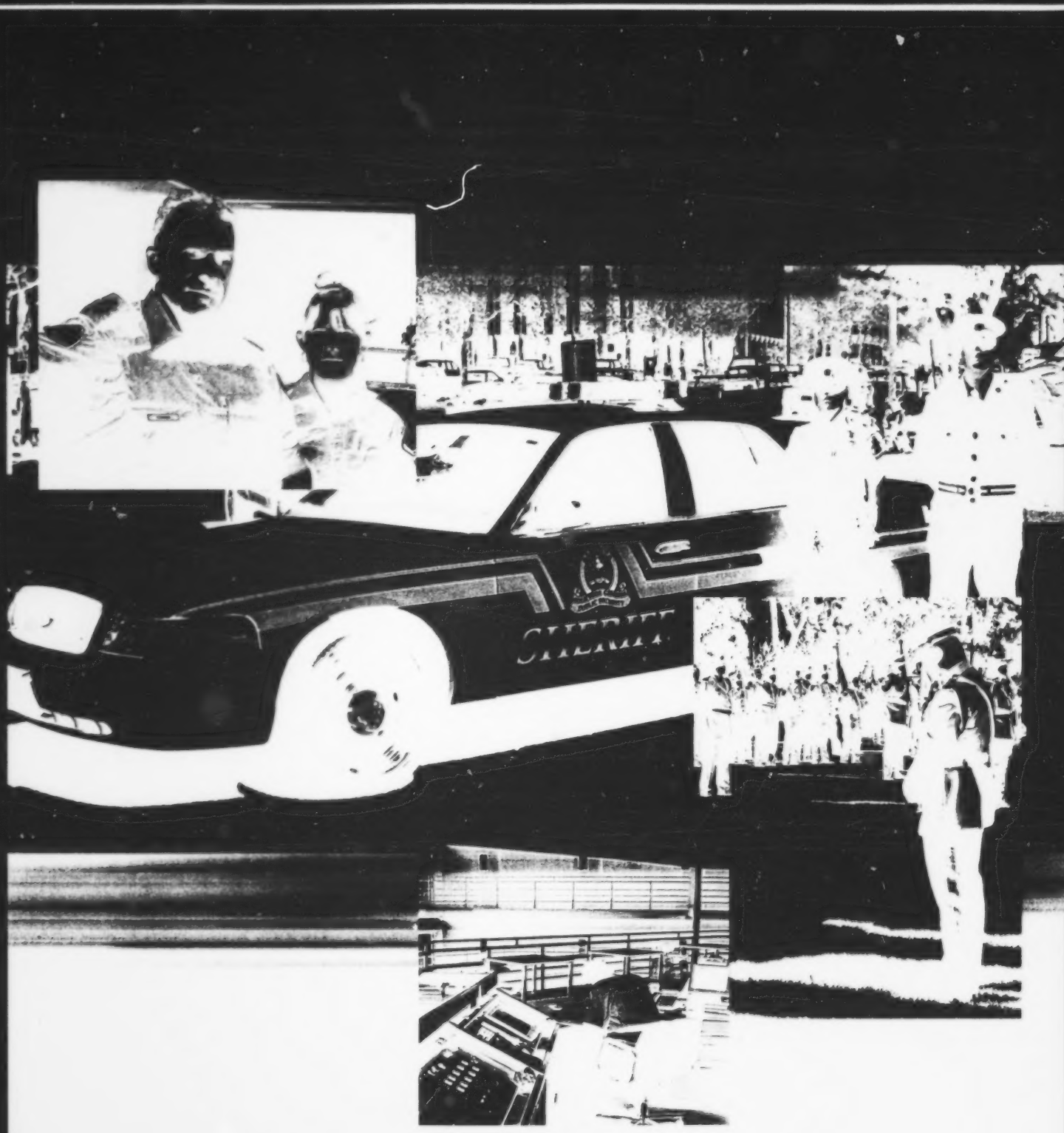

ALBERTA SOLICITOR GENERAL & PUBLIC SECURITY

ANNUAL REPORT 2005-2006

Alberta

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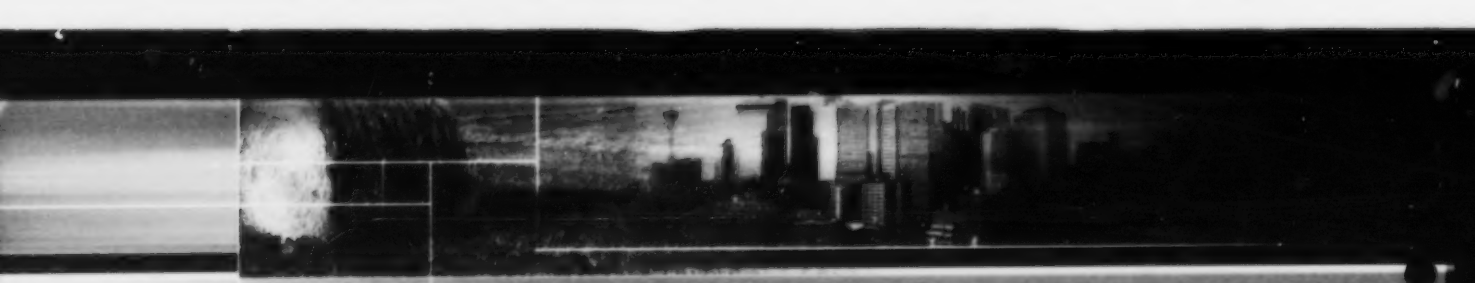


PUBLIC ACCOUNTS 2005-06 PREFACE

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 26, 2006 contains the Minister of Finance's accountability statement, the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Solicitor General and Public Security contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- the financial statements of entities making up the Ministry, including the Department of Solicitor General and Public Security and the Victims of Crime Regulated Fund for which the Minister is responsible; and
- other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

MINISTER'S ACCOUNTABILITY STATEMENT

The Ministry's annual report for the year ended March 31, 2006, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 1, 2006 with material, economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Harvey Cenaiko
Solicitor General and Minister of Public Security

A MESSAGE FROM THE MINISTER

Alberta's 2005 centennial allowed us to reflect not only on what this province has accomplished over the past 100 years but to look ahead.

Alberta is in the midst of one of its greatest economic booms. While it has brought prosperity to many, it has also attracted criminals intent on exploiting hard-working Albertans and impressionable youth.

Criminal activity has a devastating effect on people and communities. However, Alberta Solicitor General and Public Security made significant strides to reduce crime and enhance public safety and security last year. I am extremely proud of the Ministry's many accomplishments that promoted secure neighbourhoods and safe streets, and supported victims of crime.

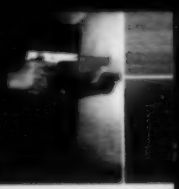
Policing/Law Enforcement

One hundred sixty new police officers were deployed throughout Alberta last year, representing the single largest policing increase in 20 years.

To better reflect their expanding roles and responsibilities in law enforcement, Provincial Protection Officers were re-branded as Sheriffs. In rural Alberta, Sheriffs assumed responsibility for prisoner transfer and courtroom security. As a result, an additional 30 RCMP officers returned to front line policing duties. The Ministry also commenced a traffic enforcement pilot project involving Sheriffs that targeted aggressive drivers and speeders on two of Alberta's busiest highways.

Building on strong partnerships within the policing community was also an important focus for the Ministry during the year. This approach lies at the heart of initiatives such as the new Alberta Law Enforcement Response Team (ALERT), which brings a coordinated, provincewide focus to our ongoing efforts to prevent and combat serious and organized crime.

The same approach led to the creation of the Integrated Child Exploitation (ICE) unit. The ICE unit draws on the expertise of five police services around the province to help keep our children safe from sexual predators who lurk on the Internet.



Corrections

We continued to lead the country with respect to the safety of our front line correctional staff. We were the first jurisdiction in Canada to approve stab-resistant vests for all front line staff who work in a dangerous and challenging environment.

We also established a Correctional Services Intelligence Unit that will gather and share intelligence information with police on gang member activity within our facilities. This vital information will help police better understand new alliances that may have been formed between organized crime groups, gangs and gang members while in custody.

Victims of Crime

We focused more attention on victims of crime. Our Ministry not only provided financial support to victims programs across the province, we also launched a provincewide campaign to increase awareness about the services available.

Public Security

Finally, the Ministry was renamed Solicitor General and Public Security to recognize our ongoing efforts to help combat organized crime, gang violence and global terrorism, while addressing Albertans' heightened concerns about personal and community safety.

Those are some of the highlights from the past year. I encourage you to read further to find out more details on our innovative programs and the results we achieved during the year. I am pleased to present our annual report for 2005-06.

Harvey Cenaiko
Solicitor General and Minister of Public Security

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Solicitor General and Minister of Public Security. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Solicitor General and Deputy Minister of Public Security, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- Provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- Provide information to manage and report on performance;
- Safeguard the assets and properties of the province under Ministry administration;
- Provide Executive Council, Treasury Board, the Minister of Finance and the Solicitor General and Minister of Public Security any information needed to fulfill their responsibilities; and,
- Facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Eric J. McGhan
Deputy Solicitor General and Deputy Minister of Public Security

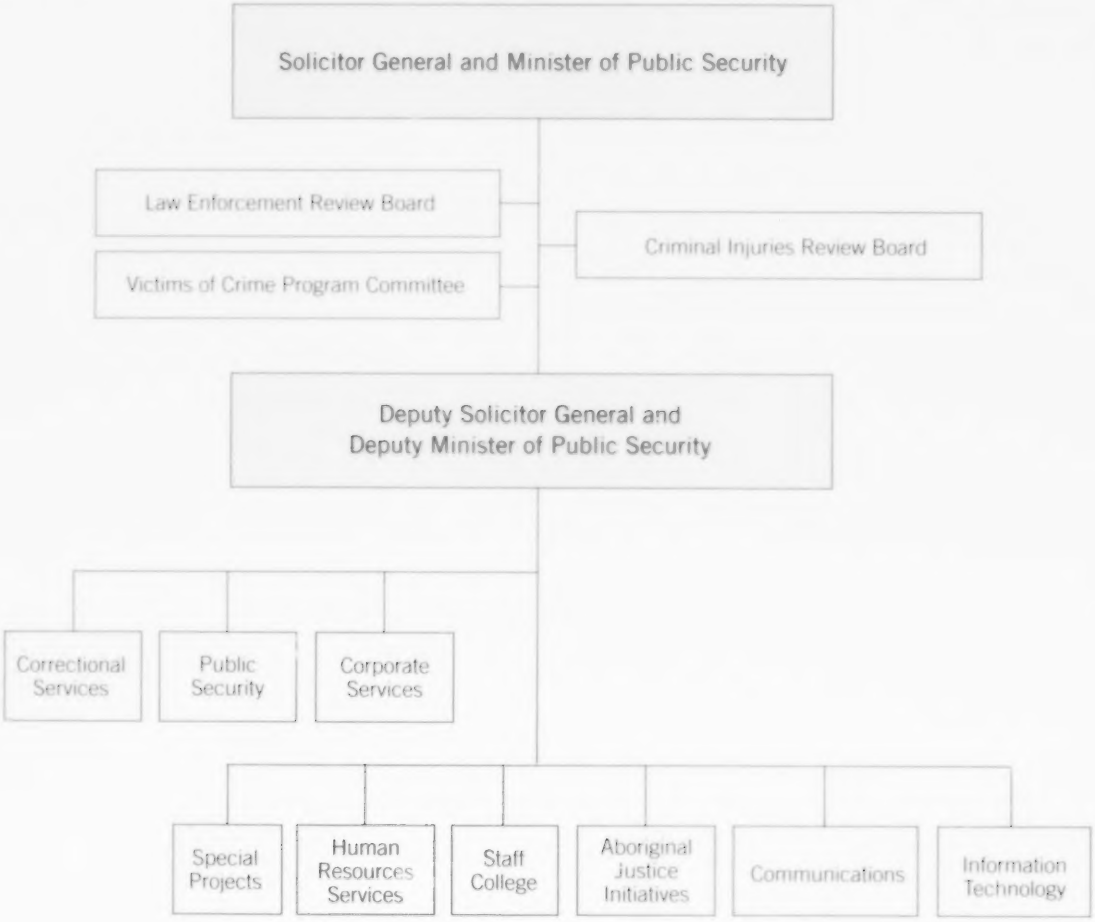
September 5, 2006

MINISTRY OVERVIEW

ALBERTA SOLICITOR GENERAL AND PUBLIC SECURITY ANNUAL REPORT 2005 - 2006

MINISTRY OF SOLICITOR GENERAL AND PUBLIC SECURITY ORGANIZATIONAL STRUCTURE

FIGURE 1



DEPARTMENT OF SOLICITOR GENERAL AND PUBLIC SECURITY DIVISIONS AND BRANCHES

OPERATIONAL DIVISIONS

CORRECTIONAL SERVICES

Administration of the *Corrections Act*, including pre-trial supervision, community and custody sentences, alternative sanctions and rehabilitation programs.

B. Anderson, Assistant Deputy Minister

Phone: 780.427.3440
Fax: 780.427.5905
Email: bruce.anderson@gov.ab.ca

PUBLIC SECURITY

Administration of the *Police Act*, *Private Investigators and Security Guards Act* and *Victims of Crime Act*, including police oversight, policing standards, municipal policing grants, crime prevention initiatives and victims programs. Provides court and prisoner security and manages counter-terrorism security information.

B. Skeet, Assistant Deputy Minister

Phone: 780.427.3457
Fax: 780.427.1194
Email: brian.skeet@gov.ab.ca

SUPPORTING AND CO-ORDINATING BRANCHES

CORPORATE SERVICES

Corporate services includes Financial Services and Planning and Policy. Financial services is responsible for financial and capital planning, accounting, reporting, and financial accountability.

Planning and policy is responsible for business planning, and reporting, legislative planning, freedom of information and protection of privacy, policy co-ordination, Law Enforcement Review Board and Criminal Injury Review Board administration.

J. Bauer, Senior Financial Officer

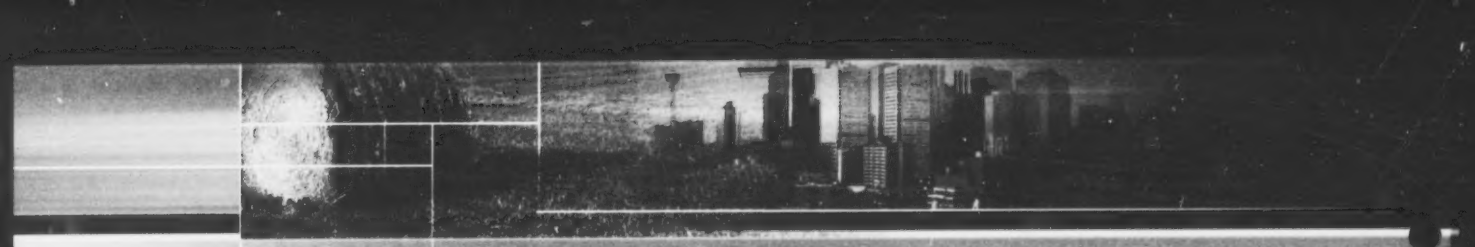
Phone: 780.422.1033
Fax: 780.427.2789
Email: jim.bauer@gov.ab.ca

SPECIAL PROJECTS

Special projects including the *Private Investigator and Security Guard Act*, and *Peace Officer Act*.

B. Meade, Special Projects Branch

Phone: 780.427.3148
Fax: 780.427.1903
Email: bill.meade@gov.ab.ca



SUPPORTING AND CO-ORDINATING BRANCHES (CONTINUED)

HUMAN RESOURCE SERVICES

Employee/labour relations, staffing, classification, job evaluation, training and development, Occupational Health and Safety, pay and benefits and health and wellness initiatives.

B. Fulgham, Executive Director

Phone: 780.427.9617
Fax: 780.422.9639
Email: brigitte.fulgham@gov.ab.ca

ABORIGINAL JUSTICE INITIATIVES

Liaison with First Nations, Métis and other stakeholders to promote Aboriginal justice initiatives.

B. Shoush, Director

Phone: 780.422.2779
Fax: 780.427.4670
Email: bronwyn.shoush@gov.ab.ca

COMMUNICATIONS

Strategic communications, issues management, public relations.

A. Weiler, Acting Director

Phone: 780.427.6153
Fax: 780.427.0771
Email: andy.weiler@gov.ab.ca

INFORMATION TECHNOLOGY

Information and communication technologies and automated business applications. Cross-agency solutions that support inter-operability between public safety service providers.

D. Mottershead, Chief Information Officer

Phone: 780.422.5499
Fax: 780.415.2887
Email: don.mottershead@gov.ab.ca

AGENCIES, BOARDS, AND COMMITTEES

The following agencies, boards, and committees are part of the Ministry of Solicitor General and Public Security.

LAW ENFORCEMENT REVIEW BOARD

An independent, quasi-judicial body established under the *Police Act*. Hears appeals from citizens who have filed a complaint regarding the actions of a police officer and who are not satisfied with the disposition of their complaint. Police officers who have been the subject of discipline arising out of a complaint may also appeal to the board. Also conducts hearings on appeals from private investigators or security guards who have had their licences refused, and from special constables regarding the cancellation of their appointments.

D. Shelley, Q.C, Chair

Phone: 780.422.9376
Fax: 780.422.4782

CRIMINAL INJURIES REVIEW BOARD

Hears requests for reviews concerning the financial benefits paid to victims of crime under the *Victims of Crime Act*. May request persons with specialized knowledge to assist with a review and has the power to confirm or vary decisions made by the director.

Dr. P.B.R. Allen, B.Sc, M.D., Chair

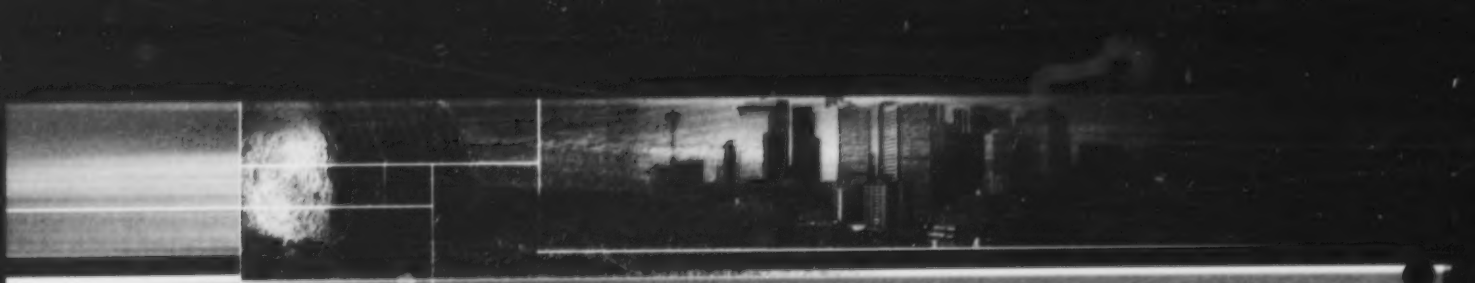
Phone: 780.427.7330
Fax: 780.427.7347

VICTIMS OF CRIME PROGRAMS COMMITTEE

Appointed by the minister to make recommendations on grant applications, and to provide information with respect to programs and services that assist victims.

M. Jorgensen, Chair

Phone: 780.427.3460
Fax: 780.422.4213



2005-06 OPERATIONAL OVERVIEW

Alberta Solicitor General and Public Security delivered its mandate through four core businesses in 2005-06. These core businesses are described below, along with the key factors influencing performance over the last year.

CORE BUSINESS ONE: POLICING, CRIME PREVENTION AND RESPONSE TO ORGANIZED CRIME

Ensuring safe communities in Alberta through adequate and effective policing, targeting of organized crime, and development and implementation of crime prevention programs.

The department's Public Security Division and the Ministry's Law Enforcement Review Board work with policing and community stakeholders to administer policing in the province, and to develop and implement crime prevention initiatives. Results for this core business are influenced by the high public profile of crime and policing issues, the changing nature of criminal activity, public pressure for increases in policing services, and strong public support for crime prevention initiatives.

CORE BUSINESS TWO: CUSTODY, SUPERVISION AND REHABILITATIVE OPPORTUNITIES FOR OFFENDERS

Enhancing public safety through effective and efficient security and supervision of offenders, while offering offenders opportunities to become law-abiding citizens.

The department's Correctional Services Division works with other ministries, community agencies, and offenders to administer correctional programs, including community and custody sentences and rehabilitation programs. Results for this core business are influenced by the increasing number of offenders serving conditional sentences in the community, the changing composition of the custody population, the increasing proportion of inmates in remand, and the increasing need to support offenders in addressing multiple issues affecting their reintegration into society.

CORE BUSINESS THREE: SECURITY SERVICES

Ensuring safe communities in Alberta by anticipating and responding to changes in terrorism threat levels through intelligence-driven counter-terrorism initiatives; and by providing security services to government facilities, personal protection for government officials and the judiciary, and courthouse security and prisoner transport services.

The department's Public Security Division works with law enforcement agencies and public and private sector stakeholders to provide counter-terrorism security information as well as security services for personnel and facilities. Results for this core business are influenced by global trends and the evolving nature of terrorism, as well as increasing security requirements to protect government facilities.

CORE BUSINESS FOUR: VICTIMS PROGRAMS AND SERVICES

Ensuring victims are treated with dignity and respect, that they receive information about victims' programs and assistance during the criminal justice process, and that financial benefits are promptly provided to eligible victims.

The department's Public Security Division and the Ministry's Criminal Injuries Review Board and Victims of Crime Programs Committee work with police services, community organizations, and volunteers to provide services to victims of crime during their involvement with the criminal justice process. Results for this core business are influenced by public support for establishing a more meaningful role for victims in the criminal justice process, largely through implementation of the recommendations from the *Report of the Alberta Victims of Crime Consultation*.

KEY CHALLENGES AND ACCOMPLISHMENTS IN 2005-06

Key challenges faced by the Ministry in 2005-06 are summarized below, along with some of the Ministry's major accomplishments over the past year.

CORE BUSINESS ONE: POLICING, CRIME PREVENTION AND RESPONSE TO ORGANIZED CRIME

Issues related to crime and policing continued to be of great public interest. Alberta's strong economy is attracting more criminal activity, and the nature of criminal activity is evolving to include more organized crime, more Internet crime, as well as more guns and illicit drugs. Organized crime, drug, and gang-related activities receive extensive media coverage, which contributes to public perceptions of an increase in crime. While public opinion survey results suggest declining perceptions of safety in both the home and the neighbourhood, they also indicate a decrease in the victimization rate. Alberta continued to maintain the lowest rates of violent and property crime, compared to the other western provinces.

The Ministry's key accomplishments in relation to policing in 2005-06 included:

- Securing of additional resources devoted to enforcement, including funding to hire new RCMP members and additional police officers to address organized crime, and an increase in policing grants to municipalities.
- Establishing the Alberta Law Enforcement Response Team (ALERT) to provide a coordinated provincial focus to the strategic deployment of police resources to combat, investigate, and prevent organized and serious crime in Alberta.
- Establishing the Integrated Child Exploitation (ICE) Unit, with dedicated funding, to fight child sexual exploitation on the Internet.
- Completing amendments to the *Police Act* to enhance civilian oversight and public accountability of police services.
- Establishing the provincial Sheriff Program to recognize their contributions to public safety. Alberta's Sheriffs provide courthouse security, prisoner transfer services, executive and judiciary protective services, and participated in a traffic safety pilot project.
- Completing a review of the Special Constable Program, including consultations with police, municipal and provincial officials, and special constables. The *Peace Officer Act*, passed in spring 2006, clarifies the roles and responsibilities of peace officers, increases accountability, and strengthens provincial standards for training, use of force, and qualifications.

Key accomplishments related to crime prevention in 2005-06 included:

- Establishing the Alberta Vehicle Theft Advisory Committee to implement government-wide recommendations to reduce vehicle thefts across the province. The committee launched public awareness campaigns and implemented enhanced training for vehicle registries staff.
- Supporting the prevention of family violence and bullying, including development of a domestic violence protocol for police services, training for front line professionals who respond to domestic violence cases, and production of a *Domestic Violence Handbook for Police and Crown Prosecutors*.
- Assisting and supporting community crime prevention by providing over $500,000 to support 33 grassroots crime prevention initiatives.
- Continuing support for relationship-building and crime prevention initiatives in Aboriginal communities.

CORE BUSINESS TWO: CUSTODY, SUPERVISION AND REHABILITATIVE OPPORTUNITIES FOR OFFENDERS

A number of significant changes have occurred in the corrections environment over the past few years. An increasing number of offenders are serving conditional sentences in the community and require closer supervision. At the same time, the increased use of conditional sentences has dramatically reduced the number of minimum security offenders in custody. This has resulted in a general "hardening" of the custody population. There has also been a continuation of the trend of rising remand populations, which began to accelerate in Alberta in 2001.

The Ministry's key accomplishments to address the significant changes occurring in the corrections environment included:

- Identifying the need for capital projects to enhance remand bed space as a Ministry priority.
- Developing partnerships with law enforcement agencies to enable better sharing of information related to offenders.
- Increasing resources by 6.7 per cent to hire more Correctional Officers and enhance the safety of front line correctional workers, through the purchase of stab-resistant vests.
- Maintaining the lowest per diem cost of housing adult offenders in a correctional facility in Canada.
- Reducing the need for transportation of offenders through the introduction of videoconferencing as an alternative to in-person court appearances for first-time accused.
- Enhancing training to better prepare staff to manage the offender population and meet other challenges associated with contemporary corrections.
- Implementing an electronic monitoring pilot project involving 111 intermittent servers in Edmonton. The program involved offenders being fitted with an electronic bracelet that monitored their curfews at home; restricted them to a predetermined area around their home during their curfew hours, and notified corrections officials if offenders left their residences.
- Enhanced cross-ministry partnerships to improve support for offenders integrating into society. The Bridges Program, a specialized group home offering transition support for male young offenders, was expanded in 2005-06 to include a second group home addressing the transition needs of a female group of offenders.

KEY CHALLENGES AND ACCOMPLISHMENTS IN 2005-06

CORE BUSINESS THREE: SECURITY SERVICES

The risks associated with globalization include enhanced interconnectivity of organized crime and terrorism networks. The nature of terrorism continues to evolve with the increasing ease of travel and continuous changes in technology. The Ministry contributes to development and maintenance of a world-class security framework for the province and is responsible for coordination of training related to intelligence sharing. Security services include protection of government facilities, personal protection for government officials and the judiciary, and courthouse security and prisoner transport services.

The key accomplishment in Security Services in 2005-06 included the implementation of a comprehensive three-year Court Security Plan. Sheriffs took over responsibility for court security and prisoner transfer services in smaller communities from the RCMP. This initiative freed the equivalent of 30 RCMP members for front line policing duties.

CORE BUSINESS FOUR: VICTIMS PROGRAMS AND SERVICES

Issues related to Victims Programs and Services continued to be based around creating awareness for victims of crime. The Ministry worked with stakeholders to establish a more meaningful role for victims through implementation of the recommendations from the *Report of the Victims of Crime Consultation*.

Key accomplishments in 2005-06 included:

- Enhancing training for professionals working with victims of crime.
- Improving information about programs and services for victims.
- Increasing the victims grants program budget, resulting in a doubling of funding for victims programs since 2004.
- Amending Alberta's *Victims of Crime Act* to include the *Canadian Statement of Basic Principles of Justice for Victims of Crime, 2003*. This amendment was based on a review of victims policy and legislation across Canada. Alberta is the first jurisdiction to entrench the principles in legislation and other provinces are expected to follow Alberta's lead.

RESULTS ANALYSIS

ALBERTA SOLICITOR GENERAL AND PUBLIC SECURITY ANNUAL REPORT 2005 - 2006

DEPUTY MINISTER'S MESSAGE

It has been a year of marked growth and expanded responsibilities for Solicitor General and Public Security.

Our drive to better integrate law enforcement, examine new ways to deliver correctional services and support victims of crime has resulted in the development a number of key initiatives.

The creation of the Integrated Child Exploitation unit and the Alberta Law Enforcement Response Teams provides a shared vision of how to tackle the crimes of today. New and expanded roles for our Sheriffs in traffic safety, rural courtroom security and prisoner transfer allow police officers to focus on more serious crimes in their communities.

Working with other ministries we were also able to develop a protocol and handbook for police services to help break the cycle of domestic violence.

Behind the scenes we also examined how we do business. One example is an electronic monitoring pilot project for some offenders serving their sentences at home will help us determine whether this technology is effective and cost efficient.

It is also important that our staff receive ongoing training to assist them in serving Albertans. We enhanced training that is provided to our correctional officers, Sheriffs and professionals working with victims of crime.

Through the hard work, dedication and innovative thinking of our staff and partners, I know we will continue to lead the way in ensuring safe and secure communities for all Albertans.

Eric J. McGhan
Deputy Solicitor General and Deputy Minister of Public Security

REPORT OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES TO PERFORMANCE MEASURES

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Solicitor General and Public Security's 2005-2006 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

Completeness

1. Performance measures and targets matched those included in Budget 2005. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information that the Ministry used to calculate the actual results.

3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and Understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

I found no exceptions when I performed these procedures.

As my examination was limited to these procedures, I do not express an opinion on whether the set of measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
September 1, 2006

ALBERTA SOLICITOR GENERAL AND PUBLIC SECURITY 2005-06 RESULTS

Operating Results

Ministry revenues in 2005-06 were $1.62 million higher than the previous year. Annual spending increased by $56.5 million consistent with approved increases to the Ministry's base budget. Ministry revenues and expenses are from the Statement of Operations on page 79.

Revenue

Total revenue increased by $1.6 million to $43 million in comparison to 2004-05 at $41.4 million. Transfers from the Government of Canada decreased by $0.1 million mainly due to the young offenders program. Interest income increased by $0.2 million due to rate improvement and an increasing fund balance in the Victims of Crime Fund (VOCF). Other revenue increased by $1.5 million which included $1.2 million in provincial surcharge revenue resulting from fine increases under the *Traffic Safety Act*. The remainder of the $0.3 million represented Federal surcharge revenue and expenditure refunds.

Expenses

Ministry expenses were $10.8 million above the original budget of $405.2 million. Voted operating expenses exceeded the original budget of $390.4 million by $10 million. Supplementary funding of $5 million was added to fund the province's share of the costs of the RCMP task force for Lakeside Packers labour dispute and provide policing services for the Crowsnest Pass as well as RCMP salary settlements. Additional supplementary estimate of $7.5 million was provided largely to address Ministry manpower costs primarily resulting from the salary settlement impacts during the fiscal year, a smaller portion was allocated for the First Nation Training Agreement.

This section provides an integrated examination of the Ministry's results for the past year, including key challenges, activities and accomplishments, performance measures, and financial results. This section is organized according to the core businesses and goals outlined in the Ministry's 2005-08 business plan.

The Ministry's expenses by government function are outlined in Table 1.

Protection of Persons and Property includes the Department of the Solicitor General. Social Services includes the Victims of Crime Fund (VOCF).

Total expenses for the protection of persons and property of $402.2 million exceeded the original budget of $390.4 million. Additional supplementary funding increase of $5 million was provided for RCMP salary settlements, for additional policing for the Lakeside Packers labour dispute and for policing services for the Crowsnest Pass. Increased manpower costs for salary settlement impacts during the year and for the First Nation Training Agreement were also covered by supplementary funding of $7.5 million.

Social Services variances and explanations are the same as the VOCF in the operating results analysis.

TABLE 1 ($ MILLIONS)
MINISTRY OF SOLICITOR GENERAL AND PUBLIC SECURITY 2005-06 EXPENSE BY FUNCTION

Function	2004-05 Actual	2005-06 Budget	2005-06 Actual
Protection of Persons and Property	344,574	390,543	402,286
Social Services	13,242	14,696	13,809
Ministry Expense	357,816	405,239	416,095

The following table summarizes the Ministry's expenses by Core Business. More detailed descriptions of financial results are included under each core business, as well as in the Financial Results section of this annual report.

TABLE 2 ($ MILLIONS)
MINISTRY OF SOLICITOR GENERAL AND PUBLIC SECURITY 2005-06 EXPENSE BY CORE BUSINESS

Core Business	2004-05 Actual	2005-06 Budget	2005-06 Actual
1. Policing, Crime Prevention and Response to Organized Crime	185,858	215,303	225,244
2. Custody, Surpervision and Rehabilative Opportunities for Offenders	141,180	151,305	152,903
3. Security Services	17,017	23,389	23,537
4. Victims Programs and Services	13,761	15,242	14,411
Ministry Expense	357,816	405,239	416,095

CORE BUSINESS ONE
POLICING, CRIME PREVENTION AND RESPONSE TO ORGANIZED CRIME

The Ministry is responsible for ensuring that Albertans have a safe place in which to live, work and raise families. It plays a major role in maintaining safe communities through policing oversight, crime prevention initiatives and other aspects of public security. The Ministry administers the *Police Act* and the Provincial Police Service Agreement with Canada for the Royal Canadian Mounted Police (RCMP) Provincial Police Service. It is also responsible for:

- Administration of the Special Constable Program;
- Administration of the *Private Investigators and Security Guards Act*;
- Providing municipal policing grants;
- Support for Aboriginal policing initiatives;
- Administration of the Ministry's Serious and Violent Crime Strategy; and
- Implementation of other specialized policing programs.

The Ministry strives to provide strategic and seamless law enforcement services to all Albertans. Strategic initiatives for 2005-06 included:

- Enhancing provincial intelligence capability;
- Improving the use of information technology to enhance collaboration between partners in the criminal justice system, and to keep pace with contemporary trends in criminal activity; and,
- Reviewing the roles and responsibilities of enforcement bodies and best practices in other jurisdictions, in order to enhance relationships between and efficiencies among enforcement agencies.

Crime prevention is essential to maintain safe communities. There is strong public support for crime prevention initiatives which the Ministry pursues through conventional and social development means:

- Conventional crime prevention initiatives include reducing opportunities and making criminal acts more difficult to commit.
- Social development initiatives address the complex social, economic, and cultural processes that contribute to crime.

The Ministry continues to renew its support for community-based initiatives to prevent crime and address its underlying causes through an annual grant funding process.

Actual costs of $225.2 million for Core Business One exceeded the original budget of $215.3 million by $9.9 million. Increased support of $7.1 million was provided for RCMP salary settlements, the required policing for Lakeside Packers labour dispute and for combating organized crime. Additional funding of $2.8 million was also required for vacation liabilities and supporting information technology requirements.

TABLE 3 ($ MILLIONS)
MINISTRY 2005-06 EXPENSES FOR CORE BUSINESS ONE

	2004-05 Actual	2005-06 Budget	2005-06 Actual
Policing, Crime Prevention and Response to Organized Crime	185,858	215,303	225,244

Compared to 2004-05, policing and crime prevention expenses increased by $39.4 million to $225.2 million. This increase was primarily due to $21.1 million expended to add new front line policing, enhanced per capita police funding and purchase new equipment through the contracted provincial policing service agreement. An additional $14.3 million was expended to increase support to combat organized and serious crime. The remaining variance of $4.0 million was primarily due to the impact of salary settlements, supporting information technology requirements and vacation liabilities.

GOAL 1: ENSURE SAFE COMMUNITIES IN ALBERTA

The Ministry's policing and crime prevention programs and initiatives make major contributions to safer communities in Alberta. While many of these programs and initiatives relate to more than one aspect of maintaining safe communities, results for 2005-06 are presented through three business streams:

- Policing and Response to Organized Crime
- Other Public Security Initiatives
- Crime Prevention

Policing and Response to Organized Crime

Issues related to crime and policing are high profile and of great public interest. Crime rates are influenced by many factors. Unemployment, poverty, and income inequality frequently cited as risk factors in criminal activity. While Alberta enjoys low unemployment rates, the strong economy is attracting more criminal activity.

In addition, the nature of criminal activity is evolving to include more organized crime and new challenges such as Internet crime (including fraud, identity theft and child sexual exploitation) as well as more guns and illicit drugs. Over 50 per cent of homicides in Edmonton and Calgary were linked to organized crime and gang activity[1]. Alberta law enforcement agencies seized $131.6 million worth of marijuana from grow operations in 2004[2]. Use of crystal methamphetamine and other illicit drugs has been identified as the precipitating factor for a variety of other types of offences.

Organized crime, drug, and gang-related activities receive extensive media coverage which contributes to public perceptions of an increase in crime.

The Ministry conducts annual public opinion surveys to determine Albertans' perceptions of safety in their homes and their neighbourhoods, and to identify the percentage of Albertans who have been victims of a crime.

PERFORMANCE MEASURE 1a:
PUBLIC PERCEPTION OF SAFETY IN THE HOME

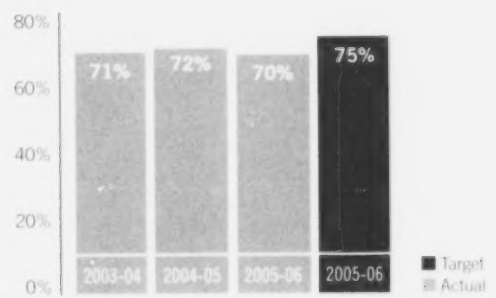
In 2005-06, 70 per cent of Albertans surveyed were "not at all worried" about their safety from crime when alone in their home. This result is a decrease of two per cent compared to last year and is below the Ministry's target of 75 per cent.

FIGURE 2

PERFORMANCE MEASURE:

POLICING AND CRIME PREVENTION PUBLIC PERCEPTION OF SAFETY IN THE HOME

Percentage per Year
Source: Research Innovations, Inc.



Public perceptions of safety in the home have remained fairly stable over the past three years.

NOTE: Beginning in 2006-09, this measure will be based on a revised question asking Albertans how safe they feel from crime when in their own homes after dark. This revised question is more comparable with the question related to perception of safety in the neighbourhood. See the Performance Measures Methodology section for more information.

PERFORMANCE MEASURE 1b:
PUBLIC PERCEPTION OF SAFETY IN THE NEIGHBOURHOOD

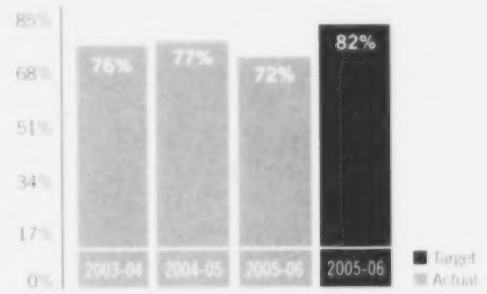
In 2005-06, 72 per cent of Albertans surveyed felt "reasonably safe" to "very safe" walking alone in their area after dark. This is a decrease of five per cent compared to last year and is below the Ministry's target of 82 per cent.

FIGURE 3

PERFORMANCE MEASURE:

POLICING AND CRIME PREVENTION
PUBLIC PERCEPTION OF SAFETY IN THE NEIGHBOURHOOD

Percentage per Year
Source: Research Innovations, Inc.



Perceptions of safety in the neighbourhood may be strongly influenced by media coverage of crime and current events, and by the individual experiences of people surveyed. The decrease in public perception of safety in the neighbourhood may be related to the high public profile of crime during the federal election and the media coverage related to gun violence and other major criminal events.

PERFORMANCE MEASURE 1c:
VICTIMIZATION RATE

In 2005-06, 24 per cent of Albertans surveyed reported being a victim of a crime in the last year.

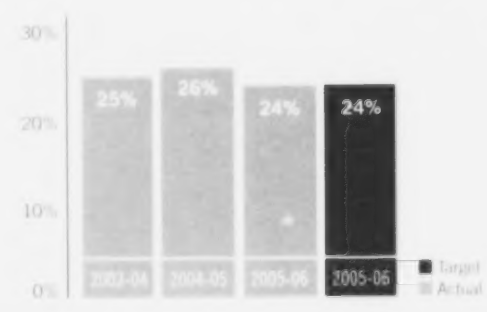
This result is a decrease of two per cent compared to last year and meets the Ministry's target of 24 per cent.

FIGURE 4

PERFORMANCE MEASURE:

POLICING AND CRIME PREVENTION
VICTIMIZATION RATE

Percentage per Year
Source: Research Innovations, Inc.



Victimization rates as reported in public opinion surveys have remained relatively stable for the past three years.

The victimization rate from public opinion surveys is higher than the police-reported crime rate because the victimization rate includes both reported and unreported crimes. In 2005-06, Albertans surveyed were most likely to say that they had been a victim of vandalism (16 per cent), theft of personal property (13 per cent), motor vehicle or parts theft (11 per cent), or theft of household property (nine per cent). Young adults aged 18 to 24 were most likely to report being victims of a crime.

While public opinion survey results suggest perceptions of safety in both the home and the neighbourhood have declined, they also indicate a decrease in the victimization rate.

PERFORMANCE MEASURE 1d:
CRIME RATE: VIOLENT CRIME AND PROPERTY CRIME

In 2005-06, Alberta continued to maintain the lowest rates of violent crime and property crime in western Canada.

Unlike victimization, which measures both reported and unreported crime, crime rate is the official measure of police-reported crime. The Ministry acknowledges the public's expectations of the department in reducing crime rate, even though there are many factors that contribute to the outcome of this measure that are beyond the Ministry's control, such as those related to education, demographics and economic conditions.

Following an increase in 2003, violent crime and poverty crime fell in Alberta in 2004 and 2005. From 2004 to 2005 there was a 0.4 per cent decrease in the rate of violent crime, largely due to a decrease in sexual assaults. However, in 2005, Alberta had the second highest number of homicides in Canada, with Edmonton census metropolitan area experiencing the largest increase in homicide counts from 34 in 2004 to 44 in 2005. There was a 3.7 per cent decrease in property crime in Alberta. This was mainly due to a decrease in thefts other than motor vehicle theft and breaking and entering.

Alberta's total crime rate decreased by 4.6 per cent in 2005. This decline in total crime rate was driven by a decrease in a number of "Other Criminal Code" offences (i.e. incidents that are classified as neither property crimes nor violent crimes) including a significant decrease in counterfeiting charges.

In western Canada, crime rates continue to be the lowest in Alberta. In 2005, Alberta's property and violent crime rates remained the lowest in western Canada for the 13th consecutive year.

FIGURE 5

PERFORMANCE MEASURE:

VIOLENT CRIME RATE

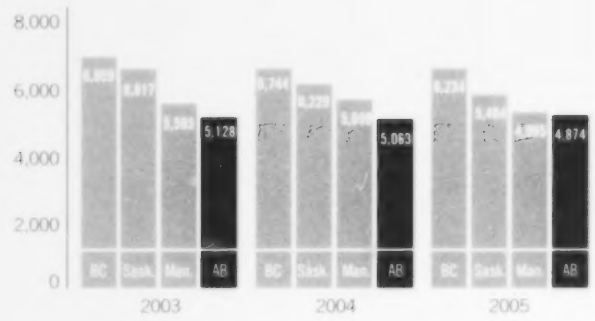
Rate (per 100,000 population)
Source: Canadian Centre for Justice statistics

FIGURE 6

PERFORMANCE MEASURE:

PROPERTY CRIME RATE

Rate (per 100,000 population)
Source: Canadian Centre for Justice statistics



CORE BUSINESS ONE
POLICING, CRIME PREVENTION AND RESPONSE TO ORGANIZED CRIME

Public perceptions of increasing crime, combined with the changing nature of criminal activity in Alberta, are contributing to increased public attention to policing issues. There has been enormous pressure from Albertans for increases in policing services and the Ministry has responded to this challenge. The Ministry is involved in numerous initiatives to address the province's policing needs for the 21st century; some of these are in response to the MLA review of policing completed in 2004. The MLA Policing Review Committee[1] identified enhanced civilian oversight, equitable policing and provincial leadership as guiding principles for policing for the next decade.

An identified need for additional resources devoted to enforcement was addressed in the Ministry's 2005-06 budget. The budget included the following enhancements to maintain adequate and effective policing and improve the province's response to organized crime:

- Funding for the largest increase of police officers in 20 years[2]. Increased funding supported the hiring of 100 new RCMP members, as well as 60 additional police officers to address organized crime.
- A 17 per cent increase in policing grants to municipalities. This funding increase puts Alberta at the forefront of policing assistance to municipalities[3].

In addition to securing enhanced resources for enforcement, the Ministry achieved the following results in relation to major policing initiatives in 2005-06:

- Establishment of the **Alberta Law Enforcement Response Team (ALERT)** to provide a coordinated provincial focus to the strategic deployment of police resources to combat, investigate and prevent organized and serious crime in Alberta. ALERT is a formalized structure established in co-operation with policing stakeholders.
- Establishment of the **Integrated Child Exploitation (ICE) unit**, with dedicated funding, to fight child sexual exploitation on the Internet. The ICE unit includes representatives from five different Alberta police services, comprised of two teams (Northern Alberta and Southern Alberta).
- Completion of amendments to the *Police Act*[4] to enhance **civilian oversight and public accountability** of police services by increasing the intervention powers of police commissions and enhancing their role in monitoring of complaints. Alberta Solicitor General and Public Security plays a leadership role to enhance public accountability by assisting Alberta police services to implement policing standards.
- Completion of the second stage of a three-step process to create a single-site **Alberta Police and Peace Officer Training Centre**. A central provincial training facility will ensure consistency in recruit training and professional development and reduce the costs of training through economies of scale. Requests for proposals to obtain land were issued in October 2005; the Ministry intends to pursue the next stage of this initiative in 2006-07.
- Development of a **community tripartite policing agreement** with the RCMP, the Government of Canada and Hobbema-area communities to provide nine additional RCMP officers to address gang-related violence. The Ministry also developed a community tripartite agreement with the Stoney Nakoda First Nation, and continued to administer agreements for five **First Nation police services** and four community tripartite policing agreements.

Other Public Security Initiatives

In addition to overseeing policing, the Ministry works collaboratively with other enforcement agencies to address other aspects of public security in Alberta. The Ministry and its public security partners and collaborators are focusing on enhancing coordination to achieve a higher overall level of law enforcement in Alberta.

There are more private investigators and security guards than police in Alberta.

Highlights of public security initiatives for 2005-06 included:

- Rebranding of Provincial Protection Officers to Sheriffs to enhance their morale and profile and to recognize their expanding contributions to public safety. Alberta's 350 Sheriffs provide courthouse security, prisoner transfer services, and executive and judiciary protective services (see Goal 4). Eight Alberta Sheriffs participated in a traffic safety pilot project.
- Implementation of the Provincial Traffic Safety Plan to reduce fatal and serious injury collisions on Alberta's highways. The Ministry implemented two pilot projects in 2005-06:
  - o A project in October 2005 to test the impact of speed monitoring on driving habits in highway construction zones, to enhance protection for construction workers.
  - o Assignment of Sheriffs, beginning in January 2006, to work with RCMP officers to perform traffic safety patrols targeting unsafe drivers on Highways 21 and 63.
- Initiation of a review of Alberta's private security legislation. In May 2005, the Solicitor General appointed MLA Len Webber (Calgary-Foothills) to review the province's 40-year old *Private Investigators and Security Guards Act*. This review is intended to modernize the legislation and determine how the industry will be integrated into the province's overall strategy for public security. Stakeholder consultations were completed in 2005-06, with new legislation is expected in 2006-07.
- Completion of a review of the Special Constable Program, undertaken by MLA Art Johnston (Calgary-Hays). The review process included consultation with police, municipal and provincial officials, and special constables, as well as research from Alberta, Canada and around the world. As a result, Bill 16, the *Peace Officer Act*, was passed in the Legislature in the spring 2006 sitting. This new legislation clarifies the roles and responsibilities of peace officers, increases accountability, and strengthens provincial standards for training, use of force, and qualifications.

CORE BUSINESS ONE
POLICING, CRIME PREVENTION AND RESPONSE TO ORGANIZED CRIME

Crime Prevention

Crime prevention is an essential component of maintaining safe communities. The Ministry's crime prevention programs promote community safety in collaboration with community organizations, other ministries, other levels of government, Aboriginal communities, and community justice committees.

Key crime prevention initiatives undertaken in 2005-06 included:

- Establishment of the **Alberta Vehicle Theft Advisory Committee** to implement government-wide recommendations to reduce vehicle thefts across the province. The committee included representatives from Alberta Solicitor General and Public Security, Government Services, and Justice, the insurance and automotive industries, police services in Alberta, and other stakeholders. Accomplishments included launching a public awareness campaign in May 2005, a radio advertising campaign in March 2006, and enhancements to training for vehicle registries staff.
- Launch of the first province-wide **Fraud Awareness Campaign**, in March 2006, with the theme "Recognize it. Report it. Stop it." This initiative was undertaken in partnership with the Alberta Association of Chiefs of Police and the Edmonton Police Service. One focus of the campaign was improved awareness of identity theft, which is the fastest-growing type of fraud in North America .
- Establishment of the ***Alberta Roundtable on Violence In and Around Licensed Premises***. This joint initiative with Alberta Gaming and industry stakeholders is exploring the issue of violence in and around bars, nightclubs, and other licensed premises. Two roundtables held in 2005-06 identified collective priorities for addressing the growing problems of violence around bars and lounges across the province.
- Support for **Prevention of Family Violence and Bullying**, including policing initiatives to address Alberta's high rates of spousal violence against women[8]. In 2005-06, the Family Violence Police Advisory Committee, including representatives from Alberta Solicitor General and Public Security, Children's Services, Justice, and all Alberta police services, developed a domestic violence protocol for police services to provide a basis for consistent practices in dealing with family violence. The committee also coordinated training for 750 police, prosecutors and other front line professionals who respond to domestic violence cases. A *Domestic Violence Handbook for Police and Crown Prosecutors* was completed and distributed in November 2005.

- Support for **Alberta Community Crime Prevention grants**, which assist communities in working together to create crime prevention initiatives. In 2005-06, the Ministry provided over $500,000 to support 33 grassroots crime prevention initiatives by non-profit and volunteer organizations, societies, associations, community-based coalitions and networks, and Aboriginal communities, Bands and Tribal Councils. Initiatives included in-school mentoring programs and abuse prevention for teens.
- Support for **crime prevention in Aboriginal communities**. Alberta Solicitor General and Public Security undertakes numerous crime prevention initiatives with Aboriginal communities. Highlights of the Ministry's Aboriginal initiatives in 2005-06 included:
  - o Funding support to four Aboriginal organizations to employ Crime Prevention Coordinators, providing service to 15 First Nations;
  - o Hosting of a workshop *Inspirations Aboriginal Communities Against Crystal Meth*, involving 700 Aboriginal people from four communities;
  - o Continuing development of a community-based approach to crime prevention with the Bearspaw First Nation at Eden Valley;
  - o Supporting Susan Aglukark's *Fifth Season: Healing Season* program in four First Nations and four urban schools, in partnership with the RCMP; and
  - o Continuing participation in Aboriginal youth suicide prevention initiatives led by the ministries of Health and Wellness, Aboriginal Affairs and Northern Development, and Children's Services.
- The Ministry, with the National Crime Prevention Centre, also co-administered the Crime Prevention Action Fund, which provides annual federal funding to urban, rural, and First Nation community agencies to address risk factors and root causes associated with crime and criminality.

The Ministry participated in the development of a bullying prevention awareness campaign for 3-11 year-olds, launched in June 2005 in partnership with Alberta Children's Services. A government-wide bullying prevention website, launched in June 2005, had received over 500,000 hits[3] by March 31, 2006.

Incarceration rates provide evidence of the impact of the Ministry's Aboriginal initiatives, in concert with other government programs and services directed toward Aboriginal people. Despite a significant increase in the province's Aboriginal population, the average number of Aboriginal youth offenders has decreased and the average number of Aboriginal adult offenders has remained stable[4].

The Government of Alberta's bullying prevention web site **www.bullyfreealberta.ca** received over 500,000 hits between June 2005 and March 2006.

Between 1991 and 2001, the incarceration rate of adult Aboriginal offenders in Alberta decreased by 51 per cent.

However, Aboriginal people are still disproportionately represented at all stages of the criminal justice system.

CORE BUSINESS TWO
CUSTODY, SUPERVISION AND REHABILITATIVE OPPORTUNITIES FOR OFFENDERS

Correctional services protect the community by holding offenders accountable through custody, supervision, and work programs. Correctional services also offer a variety of rehabilitation opportunities for offenders. The Ministry fulfills its legal and public safety mandate by administering pre-trial supervision, supervision of community sentences, and custody supervision for adults and young offenders. The Ministry also works with community stakeholders to supervise extra-judicial sanctions, including those administered by adult and youth justice committees.

Actual costs for Core Business Two were $152.9 million, exceeding the operating budget of $151.3 million by $1.6 million. Additional expenses were primarily due to $1.0 million for Information Technology to improve operations and $0.6 million in costs increases in valuation adjustments, due to staff increases, bargaining unit increments, and management compensation. Supplementary funding of $6.2 million was received for additional manpower costs from resulting salary settlements impacts during the fiscal year. This resulted in a net surplus of $4.6 million, primarily due to the timing of staff recruitment, and was offset by over-expenditures in policing programs.

TABLE 4 ($ MILLIONS)
MINISTRY 2005-06 EXPENSES FOR CORE BUSINESS TWO

	2004-05 Actual	2005-06 Budget	2005-06 Actual
Corrections	141,180	151,305	152,903

Compared to 2004-05, actual expenditures for custody, supervision, and rehabilitative opportunities for offenders increased by $11.7 million to $152.9 million. This increase resulted primarily from manpower cost increases of $9.8 million due to salary settlements, related employer contributions, and other general manpower requirements to address safety and security issues and videoconferencing initiatives in correctional facilities. Other supplies and services cost increases of $1.9 million in information technology were incurred to meet the growing demands of evolving technology and resulted in improved operations of the centres.

GOAL 2: ENSURE SECURE AND EFFICIENT CUSTODY, COMMUNITY SUPERVISION AND TRANSPORTATION OF OFFENDERS

The Ministry is responsible for custody services for adult and young offenders, as well as for offenders under supervision in the community.

Some of the significant changes in the corrections environment over the past few years were first recognized by the *Government MLA Review of Correctional Services*,[1] subtitled *The Changing Landscape of Corrections*, that was published in March 2004.

Significant factors affecting the corrections environment in 2005-06 include:

- The increasing number of offenders serving conditional sentences in the community. An increase in conditional sentences (introduced in 1996) has resulted in more offenders serving these sentences under supervision in the community. In 2005-06, there were more adult offenders serving conditional sentences in the community than there were offenders serving a custody sentence. Offenders serving conditional sentences in the community include offenders being sentenced for higher severity offences in more cases than in previous years. The need for closer supervision of these offenders presents challenges for probation officers.
- The changing composition of the custody population. The increased use of conditional sentences has dramatically reduced the number of minimum security offenders in custody. The composition of the custody population, in federal as well as provincial correctional facilities has been "hardening" as lower-risk offenders are being diverted to community supervision. Gang-affiliated inmates are also becoming more of a concern. Between 2004 and 2006, the number of separate gangs identified in Alberta's correctional centres increased by 45 per cent.
- The increasing proportion of inmates in remand. The trend of rising remand populations in Alberta began to accelerate after 2000-01. At that time, 31 per cent of the total adult custody population was comprised of inmates on remand. By 2005-06, this figure had increased to nearly 50 per cent. Rising remand populations are a national phenomenon, the causes of which are not well understood. Contributing factors in Alberta may include:
  - Demographics: Alberta has the fastest-growing and youngest population in Canada.
  - Prosecutions: Gang and organized crime prosecutions are more lengthy and complex.
  - Policing: A greater number of criminal charges are being laid by police.
  - Bail trends: An increasing number of inmates are being denied bail.
  - Offender sentencing trends: An increasing number of inmates are opting for extended remand time, anticipating two-for-one credit on an eventual sentence.

Continued increases in remand populations are placing significant strains on institutional capacity as reflected in Figure 7.

New stab-resistant protective vests were purchased for Alberta Correctional Officers and Correctional Service Workers in 2005-06, marking the first time anywhere in Canada that body armour was being made available to all front line correctional staff.

FIGURE 7

REMAND POPULATION INCREASES, 2000-01 TO 2005-06

Number of Admissions
Source: 2000-01 to 2003-04 Statistics Canada; 2004-05 to 2005-06 Correctional Services Data

Ministry programs and initiatives to maintain secure and efficient custody, community supervision, and transportation of offenders include:

- Management of adult correctional and young offender facilities;
- Management of offenders on community supervision;
- Cost-effective housing of adult offenders in correctional facilities;
- Transportation of offenders under escort; and
- Enhanced training to better equip staff to meet the challenges associated with management of the contemporary offender population.

Management of adult correctional and young offender facilities

Provincial correctional facilities hold inmates remanded into custody or sentenced to periods of custody up to two years less one day for adults; and for potentially longer periods for youth, depending upon their sentence.

The Ministry is responsible for management of the following provincial correctional facilities:

- Eight adult correctional centres;
- Two adult attendance centres;
- Two adult offender minimum security camps;
- Three young offender centres;
- Two young offender attendance centres; and
- One young offender work camp.

The Ministry also contracts with Aboriginal and non-profit organizations for the operation of an adult correctional centre, an adult minimum security camp, and several open-custody group homes.

In 2005-06, 29,664 individuals were admitted to adult correctional and young offender facilities, an increase of four per cent from 2004-05 (28,485) as reflected in Figure 8.

FIGURE 8

ADMISSIONS TO ALBERTA CORRECTIONAL CENTRES, 2000-01 TO 2005-06

Number of Admissions per year
Source: 2000-01 - 2005-06, Correctional Services Data.

Initiatives during 2005-06 to address the significant changes occurring in the corrections environment included:

- Identification of the need for capital projects to enhance remand bed space as a Ministry priority. The Ministry also initiated discussions with the federal government to address institutional pressures related to the increasing remand population.
- Development of partnerships with law enforcement agencies to enable better sharing of information related to offenders. The Ministry established the Correctional Services Intelligence Unit to enhance sharing of information and communication between correctional centre security and police agencies.
- Increased resources for corrections. The Correctional Services Division received a budget increase of 6.7 per cent to hire more Correctional Officers and to enhance the safety of front line correctional workers.

Management of Offenders on Community Supervision

In addition to managing offenders in custody, the Ministry utilizes attendance centres and the Temporary Absence Program to supervise offenders are in the community owing a portion of their custody sentence.

The Temporary Absence Program is an early conditional release program that is available to some offenders serving sentences in provincial correctional facilities. It involves the supervised release of selected low-risk offenders, including intermittent servers and fine defaulters. Offenders released under this program are involved in employment, rehabilitative programs, or providing service to the community.

In 2005-06, almost 100 per cent of offenders released under the Temporary Absence Program successfully completed their supervision.

PERFORMANCE MEASURE 2a:

SUCCESSFUL COMPLETION OF TEMPORARY ABSENCE SUPERVISION

In 2005-06, 99.9 per cent of offenders released under the program successfully completed their temporary absence supervision.

In part, this measure assesses the ability of decision-makers to accurately assess an offender's ability to remain stable in the community. This measure also assesses the ability of supervisors to ensure that offenders are complying with the conditions of their release.

This result is an increase of 0.2 per cent compared to last year and exceeds the Ministry's target of 99 per cent.

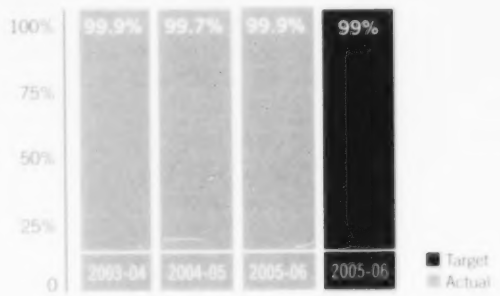
This result was achieved despite the increasingly challenging nature of the current offender population.

FIGURE 9

PERFORMANCE MEASURE:

OFFENDER MANAGEMENT: SUCCESSFUL COMPLETION OF TEMPORARY ABSENCE SUPERVISION

Percentage per Year
Source: Correctional Services Data



Cost-effective housing of adult offenders in correctional facilities

The Ministry strives to maintain cost-effective housing of offenders in correctional facilities.

PERFORMANCE MEASURE 2b:

PER DIEM COST FOR HOUSING ADULT OFFENDERS IN A CORRECTIONAL FACILITY

The per diem cost for housing adult offenders is based on data calculated by the Canadian Centre for Justice Statistics. The latest data available is from 2003-04.

In 2003-04, Alberta's per diem cost of housing adult offenders in a correctional facility was $102.95. This result represents an increase of 1.4 per cent ($1.44) compared to 2002-03.

Alberta's costs were the lowest in Canada. Provincial costs were well below the national average of $141.20 and the average per diem cost of housing an offender in a federally operated penitentiary, which was $240.18 in 2003-04.

This result meets the Ministry's target to be among the four jurisdictions with the lowest cost per diem per offender in Canada.[1]

FIGURE 10

PERFORMANCE MEASURE:

OFFENDER MANAGEMENT: PER DIEM COST FOR HOUSING ADULT OFFENDERS IN A CORRECTIONAL FACILITY

Source: Canadian Centre for Justice Statistics

Video-conferencing for court appearances will link 53 Provincial Court facilities with correctional facilities around the province. This alternative to in-person court appearances for accused has reduced the need for transportation of offenders.

Transportation of offenders under escort

Management of the offender population includes the prevention of escapes from provincial adult correctional and young offender facilities or during transport by Sheriffs. The more challenging nature of the offender population may have contributed to the two escape incidents during transport in 2005-06.

PERFORMANCE MEASURE 2c:
OFFENDER MANAGEMENT: NUMBER OF ESCAPE INCIDENTS FROM SECURE CUSTODY OR DURING TRANSPORT

In 2005-06, there were two escapes during transport. There were no escape incidents from correctional or young offender centre secure custody during 2005-06.

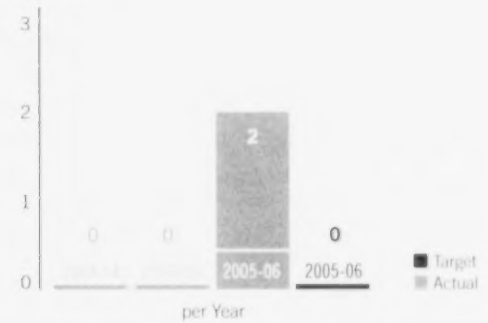
These incidents were the first on record since 2001-02. The Ministry failed to meet its target of zero escape incidents for 2005-06.

FIGURE 11

PERFORMANCE MEASURE:

OFFENDER MANAGEMENT: NUMBER OF ESCAPE INCIDENTS FROM SECURE CUSTODY OR DURING TRANSPORT

Number per Year
Source: Correctional Services Data.



The Ministry is focussing on enhanced staff training, supervision of offenders, collection and communication of relevant preventative security information, and effective operational policies and procedures to reduce the possibility of further escape incidents during transport.

The need for transportation of offenders for court appearances has been reduced through the introduction of videoconferencing as an alternative to in-person court appearances for first-time accused. A videoconferencing pilot project, which began in 2004-05 at the Edmonton Remand Centre, the Calgary Young Offender Centre and eight provincial court locations, was expanded to the Edmonton Young Offender Centre and 43 additional provincial court locations by July 2006[13].

Enhanced staff training

The Ministry is committed to better prepare staff to manage the offender population and meet other challenges associated with contemporary corrections through enhanced training. In 2005-06, approximately 1,200 corrections staff (over 60 per cent of all staff) participated in operational training. Approximately 200 Correction Officers participated in an educational/training conference focused on trends in corrections and management of offender issues, while eight Correctional Services Intelligence Unit officers received criminal intelligence training.

GOAL 3: FACILITATE THE REHABILITATION OF OFFENDERS

Rehabilitation programs provide offenders with assistance and opportunities that promote positive and productive behaviour. While the responsibility for change rests with individual offenders, rehabilitation programs encourage offenders to become law-abiding members of society. General programs include educational upgrading, life-skills, anger management, substance abuse awareness, and spiritual support. The Ministry has established Aboriginal Program Coordinators and contracts with Elders to provide Aboriginal programming for offenders in adult and young offender centres.

The Ministry also provides mental health services to offenders as well as other specialized programming for impaired drivers, individuals involved in prostitution, and sex offenders.

In 2005-06, adult inmates were in custody for an average of just over one month (this includes all admissions to adult remand and correctional facilities). Sentenced offenders in custody are serving somewhat shorter aggregate sentences than in previous years. Approximately 90 per cent of sentenced adult offenders are serving aggregate sentences of three months or less.

Ministry programs and initiatives to facilitate the rehabilitation of offenders in 2005-06 included:

- Supervision of offenders in the community;
- Support for Youth Justice Committees;
- Electronic monitoring of intermittent servers;
- Cross-ministry partnerships to enhance rehabilitative support for offenders; and
- Restorative justice initiatives.

CORE BUSINESS TWO
CUSTODY, SUPERVISION AND REHABILITATIVE OPPORTUNITIES FOR OFFENDERS

Supervision of offenders in the community

In addition to the management of correctional and attendance centres, the Ministry provides supervision of offenders on probation, pre-trial release, conditional sentences, and intermittent sentences. The selection of offenders to be supervised in the community is the responsibility of the courts; the role of community corrections is to enforce prescribed conditions in court orders and to report non-compliance. There are many influences upon the behaviour of offenders during supervision which can impact rates of compliance.

Young Offenders: Since the passage of the *Youth Criminal Justice Act* in 2003, a significant decrease in custody sentences for young offenders has occurred in most Canadian jurisdictions, including Alberta. Community-based sentences are increasingly used for more serious and high-profile cases. Youth are often bound by multiple concurrent community sentences, resulting in the need for intensive supervision with increased potential for breaches and violations.

One measure of the outcome of correctional sanctions for young offenders is the successful completion of probation dispositions. A probation disposition is the completion of a period of supervision in the community as ordered by the court under conditions prescribed in a probation order. A probation disposition is successfully completed if the young offender responds well to correctional supervision and does not lapse into further criminal behaviour while subject to correctional intervention.

PERFORMANCE MEASURE 3a:

OUTCOME OF CORRECTIONAL SANCTIONS: SUCCESSFUL COMPLETION OF YOUNG OFFENDER PROBATION DISPOSITIONS

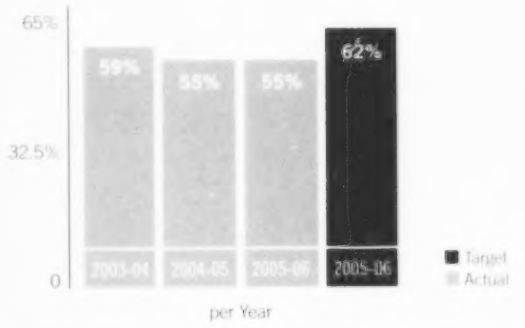
In 2005-06, the rate for successful completion of young offender probation dispositions was 55 per cent. This result is the same as last year and is below the Ministry's target of 62 per cent.

FIGURE 12

PERFORMANCE MEASURE:

OFFENDER REHABILITATION OUTCOME OF CORRECTIONAL SANCTIONS: SUCCESSFUL COMPLETION OF YOUNG OFFENDER PROBATION DISPOSITIONS

Percentage per Year
Source: Correctional Services Data



The target for the successful completion of young offender probation dispositions is set lower than the target for adult probation dispositions (see figure 13) because young offenders tend to be more impulsive than adults, and because more community sentences are being given for higher-severity offences than in previous years.

The rate of successful completion of young offender probation dispositions has been below the Ministry target over the past three years. Increasingly challenging and complex caseloads, more resistance from offenders to supervision and support, and the diversion of less serious offenders from caseloads have decreased the number of "natural" successes and contributed to this trend.

Although results for this measure continue to be collected by the Ministry, results are not reported in the 2006-09 Business Plan as the two goals related to the delivery of correctional services were reduced to one goal within the Corrections core business. To reflect the reduction in the number of goals, four of the seven performance measures were retained. The measures that were retained better reflect the Ministry's core performance in relation to the new goal.

CORE BUSINESS TWO
CUSTODY, SUPERVISION AND REHABILITATIVE OPPORTUNITIES FOR OFFENDERS

Adult offenders: One measure of the outcome of correctional sanctions for adult offenders is the successful completion of probation dispositions. A probation disposition is successfully completed if the offender responds well to correctional supervision and does not lapse into further criminal behaviour while subject to correctional intervention.

PERFORMANCE MEASURE 3b:
OUTCOME OF CORRECTIONAL SANCTIONS: SUCCESSFUL COMPLETION OF ADULT PROBATION SENTENCES

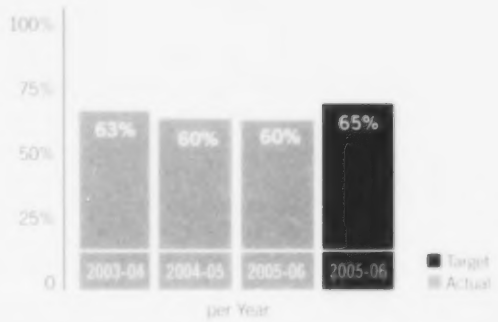
In 2005-06, the rate for successful completion of adult offender probation dispositions was 60 per cent. This result is the same as last year and is below the Ministry's target of 65 per cent. As in previous years, more adult offenders than young offenders successfully completed their probation dispositions.

FIGURE 13

PERFORMANCE MEASURE:

OFFENDER REHABILITATION: OUTCOME OF CORRECTIONAL SANCTIONS: SUCCESSFUL COMPLETION OF ADULT PROBATION SENTENCES

Percentage per Year
Source: Correctional Services Data



Trends for successful completion of adult probation dispositions are similar to those for young offenders; however, the underlying reasons for the trend for adult offenders appear to differ somewhat. For adult probation dispositions, adjustments in supervision standards, coupled with some staffing increases have provided probation officers with greater opportunities to more closely supervise high-risk and high-needs adult offenders. These offenders are more prone to violate probation conditions. Lower completion rates reflect the greater number of violations detected.

Although results for this measure continue to be collected by the Ministry, results are not included in the 2006-09 Business Plan because the two goals related to the delivery of correctional services were reduced to one goal.

Support for Youth Justice Committees

Youth Justice Committees (YJCs) administer extra-judicial sanctions, intended to give young offenders a chance to learn from their mistakes without going through the formal justice system. Some YJCs also provide sentencing advice to Youth Court Judges.

Extra-judicial sanctions can include community service, education programs, written or personal apologies to victims, and essays. Alternative sanctions are available only for youth who have committed a first or second offence and have accepted responsibility for the crime.

In 2005-06, the Ministry provided approximately $325,000 to support 121 YJCs, managed by 1,500 volunteers. The number of YJCs increased by five compared to last year, with 26 YJCs operating in Aboriginal communities. The Ministry sponsored the 5th Annual YJC conference in October 2005, which included an Aboriginal youth forum. The Ministry also introduced the YJC Awards, with 20 awards presented to recognize volunteers for their outstanding contributions to youth justice in Alberta.

Electronic monitoring of intermittent servers

In September 2005, the Ministry implemented an electronic monitoring pilot project for intermittent servers, with assistance from the Government of British Columbia. This project involved Edmonton intermittent servers selected for the house arrest program. This is how the project worked:

- Offenders were fitted with an electronic bracelet that monitored their curfews at home;
- Offenders were restricted to a predetermined area around their home during their curfew hours;
- If offenders left their residences, a monitoring service notified correctional staff. The offenders house arrest was then suspended.

As of March 31, 2006, 111 intermittent servers[14] had participated in the project. An evaluation of the project will be undertaken in August 2006 after the program has been operational for one year.

CORE BUSINESS TWO
CUSTODY, SUPERVISION AND REHABILITATIVE OPPORTUNITIES FOR OFFENDERS

Cross-ministry partnerships to enhance support for offenders integrating into society

A major focus of rehabilitation programs during 2005-06 was ensuring effective partnerships and collaboration supporting offenders in addressing multiple issues affecting their reintegration into society. These issues include educational upgrading, employment skills, mental health, and addictions. Examples of partnerships intended to provide more holistic approaches to offender rehabilitation include:

- The Bridges Program. Bridges is a specialized group home offering transition support for male young offenders. This program, offered by Alberta Solicitor General and Public Security in partnership with the Alberta Alcohol and Drug Abuse Commission (AADAC), the Alberta Mental Health Board (AMHB), Capital Health, and the Edmonton John Howard Society, was introduced in Edmonton 2004-05 and expanded to Calgary in 2005-06 with a program for female offenders. Bridges provides mental health and addiction services according to a holistic treatment model. It encourages successful transitions, back to home communities from custody, and from adolescence to adulthood. A total of 31 young offenders successfully completed the two-year pilot program.
- Domestic violence education and treatment for offenders. The Ministry continued its support for the Calgary Domestic Violence Court, in partnership with the federal government and the community. The Ministry also supported implementation of the Provincial Family Violence Treatment Framework, including an expansion of domestic violence treatment programs and specialized courts.
- Fetal Alcohol Spectrum Disorder (FASD). All front line correctional staff and managers now receive FASD awareness training to facilitate more appropriate supervision of offenders with FASD. Alberta Solicitor General and Public Security continued to partner with other Alberta ministries, and community agencies to divert youth with FASD from the criminal justice system where appropriate, and to facilitate support for these youth and their families.

To facilitate the preparation of offenders for successful re-integration into the community, a variety of work, education, treatment, and life management programs are offered at adult correctional centres and at young offender centres. All young offenders, both those remanded and sentenced to custody, are required to attend school. Classroom instruction for young offenders focuses on high school completion. All sentenced adult offenders who are not otherwise enrolled in treatment or educational programs, and who are deemed physically able, are required to work.

To assess the overall success of rehabilitation programs, the Ministry measures the percentage of offenders involved in work, education, treatment, or life management programs.

PERFORMANCE MEASURE 3c:

PERCENT OF OFFENDERS INVOLVED IN WORK, EDUCATION, TREATMENT OR LIFE MANAGEMENT PROGRAMS

In 2005-06, 88 per cent of sentenced adult offenders and sentenced and remanded young offenders participated in these programs.

This result is the same as last year and exceeds the Ministry's target of 85 per cent, despite continuing declines in the number of young offenders and adult minimum security offenders who can work on community services projects outside a correctional centre.

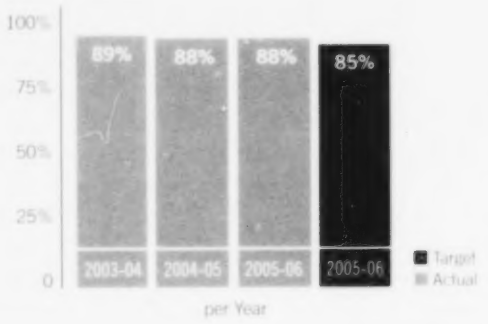
In 2005-06, 88 per cent of sentenced adult and young offenders participated in rehabilitative programs, including work, education, treatment, and life management.

FIGURE 14

PERFORMANCE MEASURE:

OFFENDER REHABILITATION: PERCENT OF OFFENDERS INVOLVED IN WORK, EDUCATION, TREATMENT OR LIFE MANAGEMENT PROGRAMS

Percentage per Year
Source: Correctional Services Data



PERFORMANCE MEASURE 3d:
NUMBER OF HOURS OF COMMUNITY SERVICE

Adult and young offenders in custody who are housed in provincial centres, camps and group homes, or who are serving their sentence in the community performed 661,062 hours of community service in 2005-06.

This result is 16 per cent lower than last year, and is 15 per cent lower than the Ministry's business plan target.

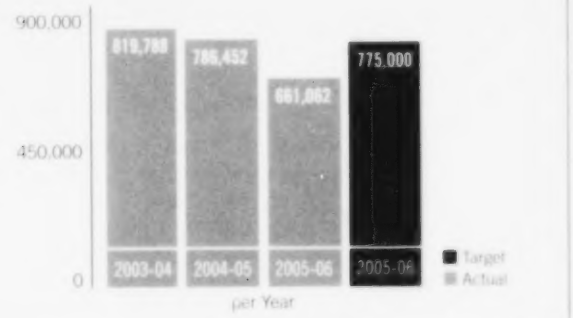
The number of hours of community service work required to satisfy a fine in lieu of a cash payment is based on the minimum wage. An increase in the provincial minimum wage (from $5.90 to $7.00 per hour), effective September 1, 2005, accounts for a significant proportion of the decline in community service hours performed by offenders in 2005-06.

FIGURE 15

PERFORMANCE MEASURE:

OFFENDER REHABILITATION: NUMBER OF HOURS OF COMMUNITY SERVICE

Hours per Year
Source: Correctional Services Data.



As well, the number of hours of community service performed by offenders in custody has declined significantly over the last three years. Only young offenders and minimum-security offenders at adult centres can work on community service projects outside the centres and in work camps.

The long-term decline in the number of minimum security offenders in adult centres, closure of under-utilized work camps, a declining young offender custody population, and successful operation of the Alberta Justice Fines Enforcement Program have all contributed to the declining number trend in community service hours.

Results are not reported in the 2006-09 Business Plan as the two goals related to the delivery of correctional services were reduced to one goal.

Restorative justice initiatives

The Ministry provides further support for rehabilitation of offenders through the restorative justice program. Restorative justice is a voluntary, community-based, collaborative approach that promotes healing and accountability. It is an alternative or supplement to sentencing that was recognized by the *Victims of Crime Consultation* (see Goal 5) as a culturally sensitive way of healing relationships between offenders, victims, and communities.

The Ministry's Restorative Justice Program was reinstated in 2004-05, and continued in 2005-06. Thirteen groups, including not-for-profit organizations, coalitions, community groups and provincially sanctioned youth justice committees, received approximately $350,000[1] in grant funding to support restorative justice initiatives.

CORE BUSINESS THREE
SECURITY SERVICES

A series of ongoing terrorist attacks has occurred around the world since September 11, 2001. There is growing evidence that occurrences of this nature will continue. All orders of government and industry must work together to enhance relationships to share intelligence and to develop, maintain, and practice appropriate counter-terrorism and emergency measures plans. A proactive approach to avoid complacency and combat potential terrorism threats is intended to protect against loss of life and destruction of property, and contribute to the maintenance of a secure environment for economic development and trade.

The Ministry also contributes to the maintenance of a secure environment by providing protection services for government facilities and the Legislature grounds, personal protection for government officials and the judiciary, and courthouse security and prisoner transport services.

Costs of $23.5 million for Core Business Three were $0.1 million higher than the budget of $23.4 million. Cost savings due to the timing of new program implementation were offset by salary settlement and new staff training costs, in addition to general increases to replace equipment and maintain operations. Supplementary funding of $0.831 million was received for salary settlements.

TABLE 5 ($ MILLIONS)
MINISTRY 2005-06 EXPENSES FOR CORE BUSINESS THREE

	2004-05 Actual	2005-06 Budget	2005-06 Actual
Security Services	17,017	23,389	23,537

Compared to 2004-05, actual expenditures for security services increased by $6.5 million to $23.5 million. These increases included $2.7 million for implementation of the comprehensive court security strategy and $0.7 million for salary settlements. The remaining variance of $3.1 million was primarily the result of equipment replacement costs, and general cost increases to maintain operations in areas such as communications, vehicle maintenance and tactical equipment supplies.

GOAL 4: ENSURE THE SAFETY OF ALBERTANS BY PROVIDING GOVERNMENT SECURITY SERVICES AND CRISIS MANAGEMENT PLANNING

In order to maintain the province's capability to anticipate and respond to changes in terrorism threat levels, the Ministry is responsible for counter-terrorism intelligence and crisis management planning.

Alberta is recognized as a leader in the development, implementation and delivery of a provincial, intelligence-led counter-terrorism plan. The Alberta Counter Terrorism Crisis Management Plan (ACTCMP), signed by Premier Klein in 2003, is an intelligence-led initiative to facilitate integrated information sharing among the public and private sectors. The ACTCMP has been recognized by the Government of Canada as a complement to the National Counter-Terrorism Plan.

The risks associated with globalization include enhanced interconnectivity between organized crime syndicates and terrorism networks. The nature of terrorism continues to change with the erosion of national borders, the increasing ease of travel, and continuous evolutions in technology[10]. Preventing terrorist activity depends on the collection, analysis, and dissemination of intelligence information, and on co-operation between jurisdictions, all levels of government, and the private sector[11].

Alberta Solicitor General and Public Security is responsible for the development and co-ordination of training for intelligence sharing under the ACTCMP.

The ACTCMP is a component of a world-class security and emergency preparedness framework for the province[12]. Provincial security and crisis management planning initiatives have been developed based on research into programs in Canada and elsewhere, including the United States and the United Kingdom. In 2005-06, Alberta's Solicitor General and Minister of Public Security led missions to the United Kingdom and the United States to investigate counter-terrorism and public security planning.

CORE BUSINESS THREE
SECURITY SERVICES

The Ministry's Security and Information Management (SIM) unit, established in 2002, is responsible for working with key stakeholders in the public and private sectors to identify and mitigate potential terrorist threats. SIM initiatives are directed by the Ministerial Task Force on Security, established by Premier Klein in response to the terrorist attacks of September 11, 2001.

The SIM unit has established partnerships and information-sharing protocols with a variety of law enforcement and intelligence agencies, including:

- Emergency Management Alberta;
- The RCMP;
- The Canadian Security Intelligence Service;
- Public Safety and Emergency Preparedness Canada;
- Criminal Intelligence Service Alberta; and,
- Alberta municipal law enforcement agencies.

The SIM unit receives regular intelligence and threat assessment reports, and works in partnership with federal agencies to share this information with law enforcement agencies and key industry stakeholders.

The unit also provides information awareness sessions throughout Alberta to ensure that stakeholders do not become complacent with regard to terrorist threats.

PERFORMANCE MEASURE 4a:

STAKEHOLDER SATISFACTION WITH SERVICES OF THE SECURITY AND INFORMATION MANAGEMENT UNIT (SIM)

The impact of SIM unit activities is measured through a stakeholder satisfaction survey. In 2005-06, 85 per cent of stakeholders were satisfied, overall, with the information and services they received from the SIM unit.

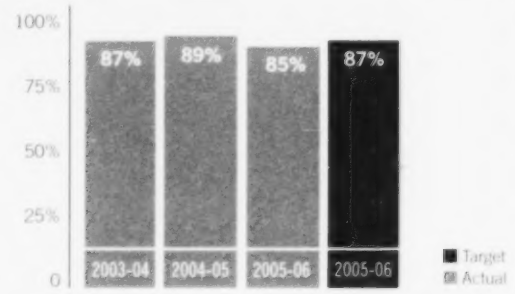
This result is a decrease of four per cent compared to last year and is below the Ministry's target of 87 per cent.

FIGURE 16

PERFORMANCE MEASURE:

SECURITY SERVICES STAKEHOLDER SATISFACTION WITH SERVICES OF THE SECURITY AND INFORMATION MANAGEMENT UNIT (SIM)

Percentage per Year
Source: Research Innovations, Inc.



A possible explanation for the decrease in overall client satisfaction would be increased stakeholder expectations. During the first three years of its existence, SIM has experienced an increase in the volume of intelligence information being processed, and new and evolving roles and responsibilities.

Courthouse Security

The Ministry began implementation of a comprehensive three-year Court Security Plan on April 1, 2005. In the first year of implementation, Sheriffs took over responsibility for court security and prisoner transfer services in smaller communities from the RCMP. This initiative freed the equivalent of 30 RCMP members for front line policing duties.

With the province assuming courtroom security and prisoner transport in smaller centres this freed the equivalent of 30 RCMP officers for front line policing duties.

CORE BUSINESS FOUR
VICTIMS PROGRAMS AND SERVICES

Victims programs address the needs of victims in the criminal justice system. An MLA committee conducted consultations with victims of crime, community agencies, and justice stakeholders with a view to establishing a more meaningful role for victims in the criminal justice process. The resulting *Report of the Alberta Victims of Crime Consultation*, produced in 2002, provided a 10-year vision for the development of victims programs and services and provided a framework for achievement of that vision. The report's recommendations included:

- Programs to increase awareness of services for victims of crime;
- Increased funding for police-based victim service units;
- Standardized training for those providing services to victims of crime; and,
- Assistance to communities for programs and services for victims with unique needs.

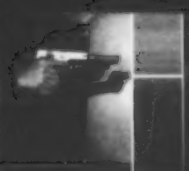
The Solicitor General and Minister of Public Security accepted the majority of the recommendations of the *Report of the Alberta Victims of Crime Consultation* and their implementation continued as a priority for the Ministry in 2005-06.

The Victims of Crime Fund program costs of $14.4 million resulted in a surplus of $0.8 million from the approved budget of $15.2 million. This surplus was primarily due to the timing of implementation of the recommendations of the *Report of the Alberta Victims of Crime Consultation*.

TABLE 6 ($ MILLIONS)
MINISTRY 2005-06 EXPENSES FOR CORE BUSINESS FOUR

	2004-05 Actual	2005-06 Budget	2005-06 Actual
Victims' Programs and Services	13,761	15,242	14,411

Compared to 2004-05, actual expenditures for victims programs and services increased by $0.6 million to $14.4 million. This increase was primarily due to an increase in the amount allocated for Victims program grants during the year, and for a staffing increase to implement the recommendations of the *Report of the Alberta Victims of Crime Consultation*.



GOAL 5: PROVIDE SERVICES TO VICTIMS AND ENSURE THEY HAVE A MORE MEANINGFUL ROLE IN THE CRIMINAL JUSTICE SYSTEM

The Ministry's victims programs are funded by the Victims of Crime Fund, which is based on federal and provincial surcharges collected from offenders. These programs include:

- Financial benefits for eligible victims of violent crime; and,
- Grant programs for community initiatives that benefit victims of crime.

Victims programs and services address the needs of victims of crime and contribute to an enhanced role for victims in the criminal justice system. The Ministry ensures that eligible victims of crime receive prompt financial benefits, and supports community organizations to establish programs and initiatives to meet the needs of victims of crime.

As of March 31, 2006, the following progress had been made regarding implementation of the accepted recommendations from the *Report of the Alberta Victims of Crime Consultation*:

- Implementation of 13 recommendations was complete;
- Implementation of 20 recommendations was in progress; and
- The remaining four recommendations were identified for implementation beginning in 2006-07.

The Ministry has worked with victims service organizations, community organizations, and justice professionals to:

- Expand services to victims;
- Improve information about and awareness of programs and services for victims; and,
- Enhance funding support for victims and victims service programs.

Another recommendation from the *Report of the Victims of Crime Consultation* was addressed through an amendment to the *Victims of Crime Act* in 2005-06. The *Victims of Crime Act* was amended to include the *Canadian Statement of Basic Principles of Justice for Victims of Crime, 2003*. This amendment was based on a review of victims policy and legislation from across jurisdictions, and was agreed to by the Ministers Responsible for Justice and Attorney General. Alberta was the first jurisdiction to entrench the principles in legislation and other provinces intend to follow Alberta's lead. The amendment to Alberta's *Victims of Crime Act* came into force on May 10, 2005.

CORE BUSINESS FOUR
VICTIMS PROGRAMS AND SERVICES

Other Ministry priorities for implementing the recommendations of the *Report of the Alberta Victims of Crime Consultation* in 2005-06 included:

- Increasing awareness among Albertans of victims programs and services;
- Expansion of training initiatives for those who work with victims of crime; and
- Increasing financial support for victims services organizations and programs assisting victims of crime with unique needs, including Aboriginal people.

A provincewide public awareness campaign on programs and services available to victims of crime was launched in March 2006. This campaign included radio, transit and indoor media advertisements encouraging reporting of crimes to police and contact with local victim assistance programs.

The Ministry supported community groups to enhance training for professionals working with victims of crime. A training and information officer was recruited to enhance information and training initiatives provided to criminal justice professionals, victim service units, and community groups and organizations. A manager for grants administration was recruited to work with community groups interested in providing programs and services to victims and to enhance accountability of funded programs.

Financial Benefits

Pursuant to the *Victims of Crime Act*, individuals who have incurred physical or emotional injury as a result of violent crime in Alberta may be eligible for one-time financial benefits. Dependents or legal guardians may also apply on behalf of victims. The number of applicants for financial benefits continued to exceed historical averages but decreased slightly compared to last year.

In 2005-06, 1,737 new applications[1] for financial benefits were received. The total dollar amount of financial benefit awards in 2005-06 was $6,993,000.

PERFORMANCE MEASURE 5a:

SATISFACTION WITH SERVICES PROVIDED TO APPLICANTS FOR VICTIM FINANCIAL BENEFITS

Victims applying for financial benefits are asked to complete a survey rating their satisfaction with the overall service provided to them. The scale ranges from 1 (very dissatisfied) to 5 (very satisfied). In 2005-06, applicants for victim financial benefits reported an overall satisfaction rate of 4.02.

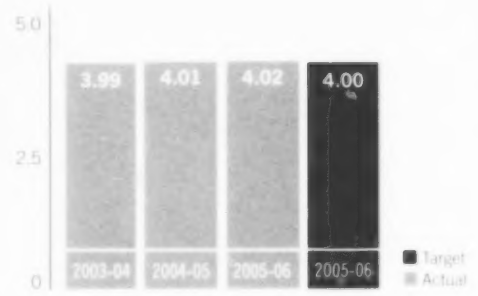
This result represents a slight increase from last year and exceeds the Ministry's target of 4.00.

FIGURE 17

PERFORMANCE MEASURE:

VICTIMS' SERVICES SATISFACTION WITH SERVICES PROVIDED TO APPLICANTS FOR VICTIM FINANCIAL BENEFITS

Rate (based on a five-point rating scale) per Year
Source: Public Security Data



Grant programs

The *Alberta Victims of Crime Consultation* report recommended an increase in financial support for victims services, including increased assistance for victims of crime with unique needs, such as Aboriginal people.

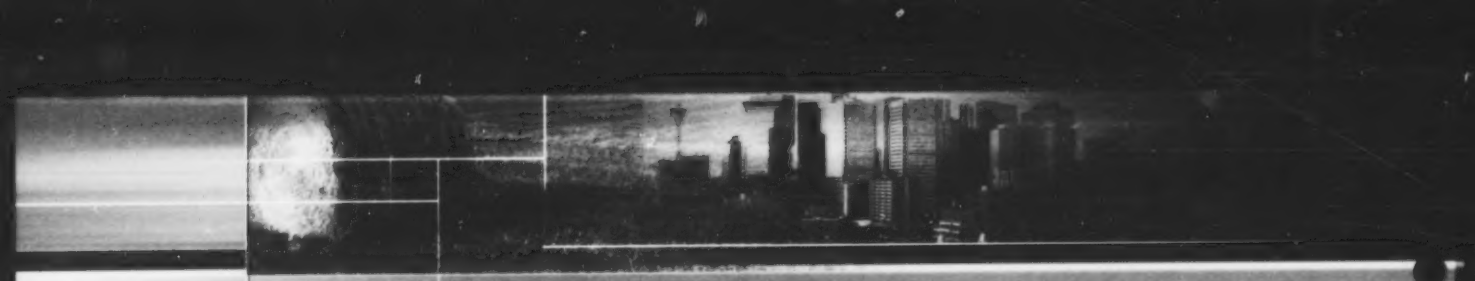
Victims programs received a significant increase in funding during 2004-05, and a further increase in 2005-06. These funding increases resulted in the doubling of the Victims Grants Program Budget (from $2 million to $4 million) over two years.

Grants are available to groups and organizations that are supported by their community to provide programs and services that benefit victims of crime during their involvement with criminal justice processes. Police-based volunteer programs receive funding priority. Community programs that provide specialized services to victims are also eligible to apply.

In 2005-06, grants were provided to 65 police-based victim service programs and 24 community organizations providing services to victims. These programs provided assistance to 45,470 people.

NOTE: Many victims programs receive longer-term funding commitments and therefore do not apply for grants every year.

Victims programs and services continued to expand across Alberta. In 2005-06, four new community programs were approved for grants.



CORE BUSINESS FOUR
VICTIMS PROGRAMS AND SERVICES

Funding for victims programs has doubled since 2004, from $2 million to $4 million.

PERFORMANCE MEASURE 5b:
ACCESS TO VICTIM SERVICE UNITS

In 2005-06, 97 per cent of Alberta police services or RCMP detachments either had, or had access to, a victim service unit.

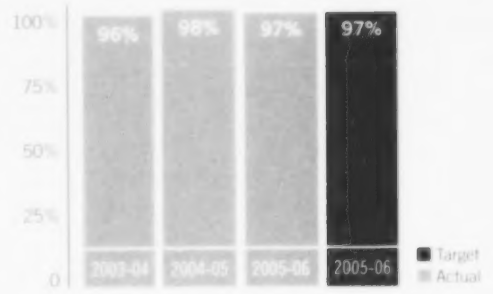
This result is a slight decrease from last year and meets the Ministry's target of 97 per cent.

FIGURE 18

PERFORMANCE MEASURE:

VICTIMS' SERVICES ACCESS TO VICTIM SERVICE UNITS

Percentage per Year
Source: Public Security Data



This performance measure has been removed from the 2006-09 Business Plan as the target has been achieved and maintained for the past two years. Virtually all police service or RCMP detachments now have, or have access to, a victim service unit.

CRIMINAL CODE REPORTING - REQUIRED REPORTS

ALBERTA SOLICITOR GENERAL AND PUBLIC SECURITY ANNUAL REPORT 2005 - 2006

CRIMINAL CODE REPORTING -- REQUIRED REPORTS

The *Criminal Code* requires the Solicitor General and Minister of Public Security of Alberta to report annually on the following parts of the act.

CRIMINAL CODE S. 25.3 – ORGANIZED CRIME AND LAW ENFORCEMENT – DESIGNATIONS

Section 25.3 of the *Criminal Code* provides a limited justification for otherwise illegal acts and omissions by law enforcement officers, and others acting at their discretion. An essential condition is that it can apply only to officers designated by a competent authority. In the case of municipal police services, the Solicitor General and Minister of Public Security is the competent authority.

The competent authority is responsible for publishing an annual report on the designations and authorizations provided under subsections 24.1 to 25.4 of the *Criminal Code*. This report shall include information on the amount and nature of the acts or omissions committed by those officers designated under this legislation.

Although the legislation came into force on February 1, 2002, Alberta did not begin designating officers under this legislation until March 2003. Although some municipal police services have officers designated, they reported no use of the designation during 2005.

CRIMINAL CODE S. 83.3(3) – ANTI-TERRORISM – ARRESTS WITHOUT WARRANT

Anti-Terrorism Act

In accordance with subsection 83.3(4) of the *Criminal Code*, a peace officer who suspects on reasonable grounds that the detention of a person is necessary to prevent a terrorist activity, may arrest the person without a warrant.

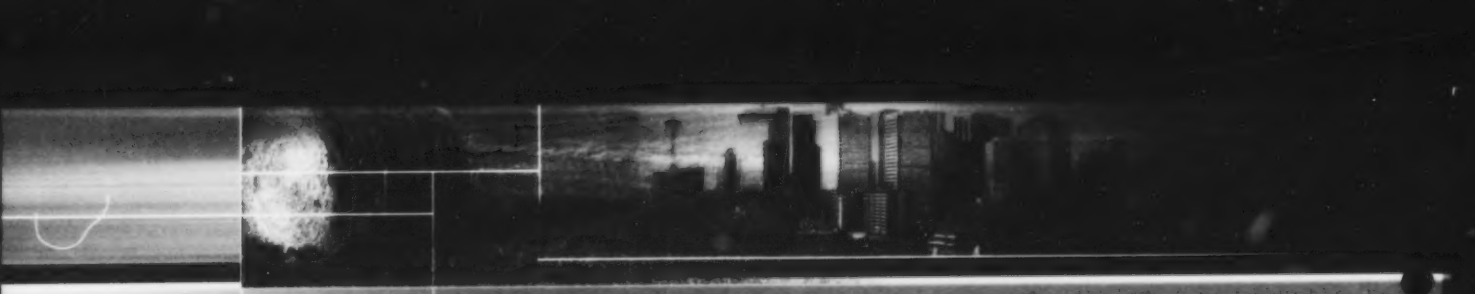
Pursuant to subsection 83.31(3) of the *Criminal Code*, the minister is responsible for policing in every province shall publish or otherwise make available to the public an annual report for the previous year on the operation of subsection 83.3 of the *Criminal Code* that includes:

a) The number of arrests without warrant that were made under subsection 83.3(4) and the period of the arrested person's detention in custody in each case, and
b) The number of cases in which a person was arrested without warrant under subsection 83.3(4) and was released.

Information has been received from all police services in Alberta indicating that no arrests were made under this subsection in the previous year; therefore, the report for 2005 is nil.

PERFORMANCE MEASURES METHODOLOGY

ALBERTA SOLICITOR GENERAL AND PUBLIC SECURITY ANNUAL REPORT 2005 - 2006



GOAL 1: ENSURE SAFE COMMUNITIES IN ALBERTA

PERFORMANCE MEASURE 1a: PUBLIC PERCEPTION OF SAFETY IN THE HOME

Alberta Solicitor General and Public Security, in partnership with Alberta Justice, commissions an annual survey to determine the public's opinion of the justice system. The public opinion survey is conducted by telephone by Research Innovations, Inc. The survey includes 37 questions and averages 20 minutes in length. It was last conducted in January 2006.

Professionally-trained interviewers conducted all interviews from a central telephone facility. The survey was completed on a computer-assisted telephone interviewing system, allowing for ongoing tabulation of results. Ten per cent of all interviews were monitored online.

As in previous years, the sample size in 2006 was 750. The sample consists of a random and representative percentage of adult Albertans. For each of six geographic regions of the province, the number of interviews in each age-gender segment was proportionate to their representation in 2001 population estimates, based on Statistics Canada 2001 Census data. Results are considered reliable to within ± 3.6 per cent at the 95 per cent confidence level.

For 2005-06, this measure is based on responses to the following question:

"When alone in your home in the evening or at night, do you feel very worried, somewhat worried or not at all worried about your safety from crime?"

Beginning in 2006-09, this measure will be based on a revised question worded as follows:

"How safe do you feel from crime when you are in your own home after dark?"

- very safe
- reasonably safe
- somewhat unsafe
- very unsafe
- don't know

This question was modified to be comparable with a question asked in the national General Social Survey conducted by Statistics Canada, which allows for more comparability of Alberta results with other Canadian jurisdictions.

The revised question is also directly comparable with the question regarding safety in the neighbourhood, which is the basis for Performance Measure 1b.

GOAL 1: ENSURE SAFE COMMUNITIES IN ALBERTA

PERFORMANCE MEASURE 1b:
PUBLIC PERCEPTION OF SAFETY IN THE NEIGHBOURHOOD

The methodology for this measure is as described under Performance Measure 1a.

This measure is based on responses to the following question:

"How safe from crime do you feel walking alone in your area after dark?"

- very safe
- reasonably safe
- somewhat unsafe
- very unsafe
- don't know

PERFORMANCE MEASURE 1c: VICTIMIZATION RATE

The methodology for this measure is as described under Performance Measure 1a.

This measure is based on responses to a question where respondents are read specific descriptions of a number of crimes, and for each they are asked if they have been a victim of that crime in the past year.

When prompted with specific crimes, some respondents acknowledged having been victimized even though they earlier had said that they were not victims. An additional 69 respondents (out of a sample size of 750) said that they had been victims of a crime when prompted.

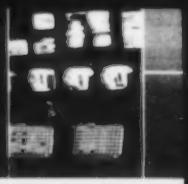
PERFORMANCE MEASURE 1d: CRIME RATE - VIOLENT AND PROPERTY CRIME

Crime statistics are collected using the Uniform Crime Reporting Survey, a common survey instrument used to measure police-reported crime in each Canadian jurisdiction. Population data from Statistics Canada is used to convert reported crime into crime rates per 100,000 population. Previous year crime rates are revised annually by the Canadian Centre for Justice Statistics (CCJS) based on population counts.

"Crime" is defined as the total number of *Criminal Code* incidents involving youth and adults, as reported by police.

"Violent crime" includes offences that deal with the application or threat of application of force to a person. These include: homicide, attempted murder, various forms of sexual and non-sexual assault, robbery and abduction. Violent crime does not include traffic incidents that result in death or bodily harm.

"Property crime" includes unlawful acts committed with the intent of gaining property, but not involving the use or threat of violence against an individual. Theft, breaking and entering, fraud, and possession of stolen goods are examples of property crime.



GOAL 2: ENSURE SECURE AND EFFICIENT CUSTODY, COMMUNITY SUPERVISION AND TRANSPORTATION OF OFFENDERS

PERFORMANCE MEASURE 2a:
SUCCESSFUL COMPLETION OF TEMPORARY ABSENCE SUPERVISION

Data on temporary absences granted and temporary absences suspended due to re-offence is stored in the Correctional Management Information System (CoMIS), a mainframe system that provides information about offenders housed in provincial correctional centres. CoMIS data includes offender demographics, admissions, movements, charges, and releases. It provides the Ministry with a database of operational and statistical information. Each month, a data extract is produced from CoMIS for research purposes.

At the end of each month, the following reports are produced from the CoMIS data extract:

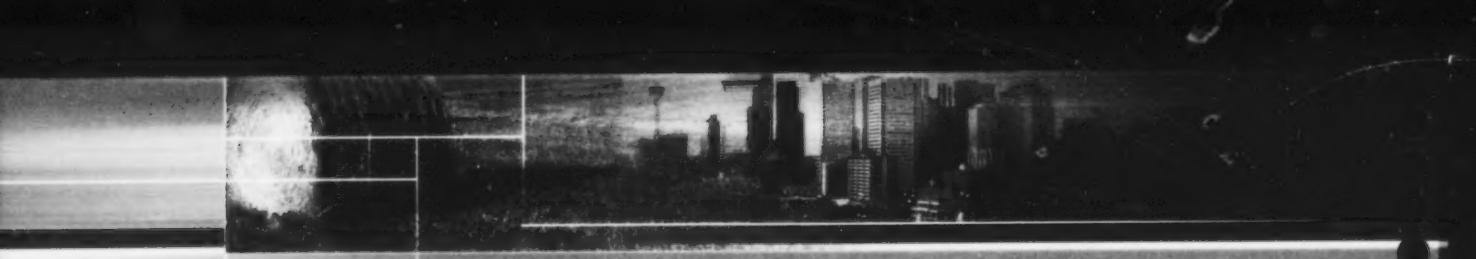
- The number of temporary absences granted for the month;
- The number of temporary absences granted for the fiscal year to date;
- The number of temporary absences suspended due to re-offence during the month, and;
- The number of temporary absences suspended due to re-offence for the fiscal year to date.

At the end of the last month of the fiscal year, the same four reports are produced from the CoMIS data extract for the entire fiscal year.

The percentage of successful temporary absence completions is calculated as follows:

- A research officer reconciles the monthly reports (temporary absences granted and temporary absences suspended due to re-offence for the month) to the year-to-date reports (temporary absences granted and temporary absences suspended due to re-offence for the year to date).
- The research officer then subtracts the number of temporary absences suspended due to re-offence from the number of temporary absences granted and divides the result by the total number of temporary absences granted.

A monthly report is prepared and circulated for senior management information. An annual report is also produced.



GOAL 2: ENSURE SECURE AND EFFICIENT CUSTODY, COMMUNITY SUPERVISION AND TRANSPORTATION OF OFFENDERS

PERFORMANCE MEASURE 2b:
PER DIEM COST FOR HOUSING ADULT OFFENDERS IN A CORRECTIONAL FACILITY

This measure is calculated to conform with reporting instructions provided by the Canadian Centre for Justice Statistics (CCJS). CCJS reporting instructions include actual costs charged to the Correctional Services Division's budget, and make Alberta results comparable to those from other Canadian jurisdictions.

The per diem cost is calculated by dividing the actual costs directly charged to the Correctional Services Division's budget for custody of offenders at government-operated adult remand centres, correctional centres and associated camps by the number of total day stays.

- The number of total day stays is calculated by multiplying the average daily offender population by 365 days.
- The average daily offender population is based on population statistics from CoMIS (this is an aggregate daily calculation). Offender population statistics include adult intermittent servers and young offenders held at the Red Deer and Medicine Hat Remand Centres (approximately five to 10 in total).

Actual costs are those charged to the Ministry of Solicitor General and Public Security, Correctional Services Division budget, and include personnel and general supplies and services, including purchased services associated with offenders, such as food, Elders, chaplains, dentists, doctors, and laundry.

Costs exclude those incurred by other ministries (Infrastructure and Transportation, Municipal Affairs, Education, and Advanced Education) and costs not directly associated with running government-operated adult correctional centres, such as community corrections, head office, or costs for purchased community services (e.g., community supervision).

The per diem cost per offender is directly proportional to the number and cost of staff required to run provincial correctional facilities and is inversely proportional to the number of offenders in custody. This measure is also influenced by the costs of food, and medical and other services and programs.

GOAL 2: ENSURE SECURE AND EFFICIENT CUSTODY, COMMUNITY SUPERVISION AND TRANSPORTATION OF OFFENDERS

PERFORMANCE MEASURE 2c:
NUMBER OF ESCAPE INCIDENTS FROM SECURE CUSTODY OR DURING TRANSPORT

All adult correctional centres and young offender centres report the number of escapes from secure custody on Monthly Offender Activity Reports. These reports are forwarded to head office.

To be counted as an "escape from secure custody", the escape must meet all of the requirements for a prison breach as described in the *Criminal Code of Canada*. Offenders who walk away from minimum-security settings such as work camps and group homes, or who fail to return from a period of temporary absence, are not counted as escapes from secure custody.

When a centre reports an escape from secure custody, a head office investigation will verify that the reported escape is an escape from within the secure confines of a correctional centre. The investigation will also determine the circumstances of the incident.

If an escape incident occurs when transporting an offender, staff involved in the transport prepare an incident report. This incident report is submitted to management. If police become involved in apprehending the offender, a police report is prepared as well.

Management conducts investigations into all escape incidents and takes further action as needed.

GOAL 3: FACILITATE THE REHABILITATION OF OFFENDERS

PERFORMANCE MEASURE 3a: OUTCOME OF CORRECTIONAL SANCTIONS - SUCCESSFUL COMPLETION OF YOUNG OFFENDER PROBATION DISPOSITIONS

This measure is calculated by dividing the number of probation dispositions that terminate successfully by the number of probation dispositions that are terminated. Each month, community corrections offices report the number of probation dispositions that are terminated, and whether termination was successful or unsuccessful, to head office. These reports are compiled monthly for all corrections offices in the province, and then totalled at the end of the year.

Probation dispositions are terminated successfully when they are closed as a result of reduced supervision granted or expiration of the probation order.

Unsuccessful termination occurs when the probation disposition is closed on or prior to the expiration date of the probation order as a result of the offender:

- Incurring a new criminal charge that results in a period of incarceration and the probation order will expire during the period of incarceration;
- Failing to report to a probation officer and a warrant being issued under the *Youth Criminal Justice Act* (Canada) or under the *Provincial Youth Justice Act*;
- Having a probation violation outstanding on the expiration date of the probation order; or
- Incurring a new *Criminal Code* or other federal statute charge that results in a conviction during the period of probation supervision.

GOAL 3: FACILITATE THE REHABILITATION OF OFFENDERS

PERFORMANCE MEASURE 3b: OUTCOME OF CORRECTIONAL SANCTIONS - SUCCESSFUL COMPLETION OF ADULT PROBATION SENTENCES

This measure is calculated by dividing the number of probation dispositions that terminate successfully by the number of probation dispositions that are terminated. Each month, community corrections offices report the number of probation dispositions that terminate, and whether termination was successful or unsuccessful, to head office. These reports are compiled monthly for all corrections offices in the province, and then totalled at the end of the year.

Probation dispositions terminate successfully when they are closed as a result of reduced supervision granted or expiration of the probation order.

Unsuccessful termination occurs when the probation disposition is closed on or prior to the expiration date of the probation order as a result of the offender:

- Incurring a new criminal charge that results in a period of incarceration and the probation order will expire during the period of incarceration;
- Failing to report to a probation officer and a warrant being issued under the *Criminal Code of Canada*;
- Having a probation violation outstanding on the expiration date of the probation order; or
- Incurring a new *Criminal Code* or other federal statute charge that results in a conviction during the period of probation supervision.

GOAL 3: FACILITATE THE REHABILITATION OF OFFENDERS

PERFORMANCE MEASURE 3c: PER CENT OF OFFENDERS INVOLVED IN WORK, EDUCATION, TREATMENT OR LIFE MANAGEMENT PROGRAMS

This measure is calculated by dividing the estimated average daily number of sentenced adult offenders and sentenced and remanded young offenders involved in work, education, treatment, or life management programs by the average daily population of eligible offenders. Remanded adult inmates are not included because they have not been found guilty of an offence and are not required to participate in activities.

Staff in each correctional centre calculate a monthly average number of offenders involved in work, education, treatment, or life management programs and enter this information on a Monthly Offender Activity Report, which is forwarded to head office. These reports are compiled monthly for all correctional centres in the province.

Average population statistics for correctional centres are produced using the CoMIS system (see Performance Measure 2a). Head office uses the data from the Monthly Offender Activity Reports and the average population statistics from CoMIS to calculate the results for this measure on a monthly basis.

PERFORMANCE MEASURE 3d: NUMBER OF HOURS OF COMMUNITY SERVICE

Ministry staff report the number of hours of community service performed by offenders in custody in correctional centres, camps and group homes to head office in Monthly Offender Activity Reports.

The number of hours of community service completed by offenders serving sentences in the community is tracked by provincially-run community corrections offices, attendance centres, and some contracted agencies using the Alberta Community Offender Management (ACOM) system. A few contracted agency offices report community service hours to head office using manual workload statistical reports.

Information from these sources is reported to head office. Head office adds the total hours reported from all sources together to produce a monthly total. The monthly totals are then added together to produce annual results for this measure.

Information on specific agencies and government departments for which community service is performed is not analyzed.

GOAL 4: ENSURE THE SAFETY OF ALBERTANS BY PROVIDING GOVERNMENT SECURITY SERVICES AND CRISIS MANAGEMENT PLANNING

PERFORMANCE MEASURE 4a: STAKEHOLDER SATISFACTION WITH SERVICES OF THE SECURITY AND INFORMATION MANAGEMENT UNIT (SIM)

Data for this measure is obtained from a client satisfaction survey conducted by Research Innovations, Inc. The survey uses a combination of telephone and online data collection methods and was last conducted in March 2006.

The sample is developed from lists of clients provided by Alberta Solicitor General and Public Security. Duplicate names are removed from the various lists prior to conducting the survey. A total of 399 clients participated in the survey in 2005-06. Survey results are considered reliable to within ± 5.0 per cent at the 95 per cent confidence level.

If clients had e-mail addresses, they were initially contacted by e-mail. Clients with no e-mail address were initially contacted by telephone. To promote a high response rate, all interviews were conducted at a time and using a means (online versus telephone) preferred by the client.

If contacted by e-mail, clients were sent a link to the survey website, along with a confidential personal identification number (PIN) for entering the survey website. Clients participating online at the website entered their responses directly into the data file.

For interviews conducted by phone, the telephone interviewer entered the data into the data file. Professionally-trained interviewers conducted all telephone interviews from a central telephone facility.

Clients were asked to respond to the following question:

"When thinking about all the information and services that you received from the SIM Unit in the past 12 months, overall, how satisfied are you with the SIM Unit's information and services?"

- very satisfied
- somewhat satisfied
- neutral
- somewhat dissatisfied
- very dissatisfied

Responses in the "very satisfied" and "somewhat satisfied" categories are added together to determine the overall stakeholder satisfaction rate.

GOAL 5: PROVIDE SERVICES TO VICTIMS AND ENSURE THEY HAVE A MORE MEANINGFUL ROLE IN THE CRIMINAL JUSTICE SYSTEM

PERFORMANCE MEASURE 5a: SATISFACTION WITH SERVICES PROVIDED TO APPLICANTS FOR VICTIM FINANCIAL BENEFITS

Data for this measure is obtained from a question on the evaluation page of the Victim Services Application for Financial Benefits form. Results are compiled from the pages completed by individuals applying for financial benefits, who chose to respond to this question at the time they applied for benefits.

In 2005-06, 1,737 new applications for financial benefits were received. Individuals applying for benefits returned a total of 626 completed surveys. This represents a response rate of 36 per cent.

Individuals applying for victim financial benefits are asked to respond to the following question:

"How satisfied are you with the overall service provided to you so far by the employees and volunteers within the criminal justice system, ie. police officer, victim services worker, Crown Prosecutor, Clerk of the Court?"

1. very dissatisfied
2. somewhat dissatisfied
3. neither satisfied nor dissatisfied
4. somewhat satisfied
5. very satisfied

The Victims Services Branch tracks results for this measure; results are entered on a spreadsheet according to the month of receipt of completed surveys.

The overall annual satisfaction rating is calculated by totalling all scores for the survey question and dividing this total by the total number of valid completed responses to the question for the year. The overall satisfaction rating for 2005-06 was 4.02.

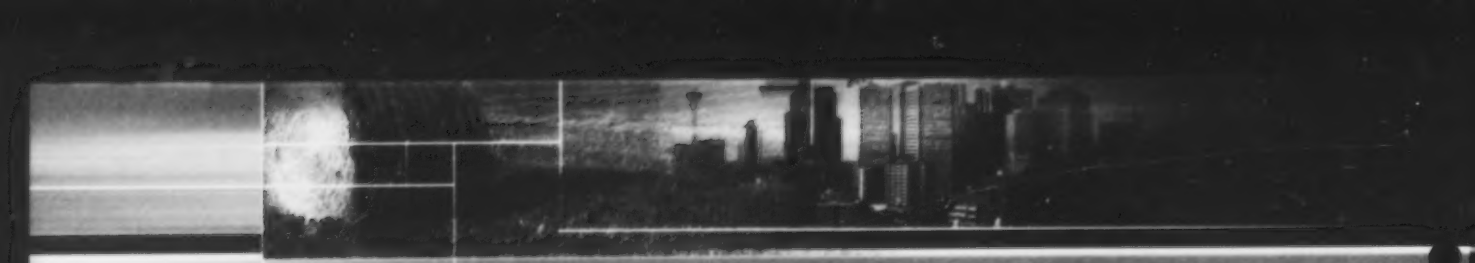
For the 2005-06 fiscal year, the number of surveys with ratings of 4, 4.5 or 5 were tallied on a monthly, quarterly and annual basis; each number was multiplied by 100 to determine monthly, quarterly and yearly percentages. For the fiscal year 2005-06, there were a total of 518 surveys with ratings of 4, 4.5 or 5. This represented 83 per cent of all completed surveys.

GOAL 5: PROVIDE SERVICES TO VICTIMS AND ENSURE THEY HAVE A MORE MEANINGFUL ROLE IN THE CRIMINAL JUSTICE SYSTEM

PERFORMANCE MEASURE 5b: ACCESS TO VICTIM SERVICE UNITS

This measure is based on administrative records. Results are calculated by dividing the total number of Alberta police services or RCMP detachments that have, or have access to, a Victim Service Unit, by the total number of Alberta police services and RCMP detachments. The result is then multiplied by 100 to determine a percentage.

Victim Service Units include police-based units operating from police facilities. Access to a Victim Service Unit may be provided by a unit within a police service facility. Quarterly statistics submitted by Victim Service Units enables a determination of whether access has been achieved.



ENDNOTES

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2. Criminal Intelligence Service Alberta - www.cisalberta.ca/reportsarchive.htm
3. Policing Alberta MLA Review, 2002
4. Budget 2005 news release April 13, 2005.
5. 2005-06 & 2006-07 Policing Grant formula
6. Bill 12, passed in the spring 2005 session and Bill 49, passed in the fall 2005 session
7. Fraud awareness, Public Safety and Emergency Preparedness Canada, www.psepc.gc.ca/publications/identity_theft_e.asp
8. "Family Violence in Canada: A Statistical Profile", Statistics Canada, 2004
9. Data provided by Bullying Prevention Committee chair.
10. "Collecting Data on Aboriginal People in the Criminal Justice System: Methods and Challenges", Canadian Centre for Justice Statistics, 2005
11. "Government MLA Review of Correctional Services, 2002: The Changing Landscape of Corrections", Legislative Assembly of Alberta, November 2002
12. "Adult Correctional Services in Canada", Canadian Centre for Justice Statistics, 2004
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15. Ministry news release, Dec. 9, 2005.
16. www.csis.gc.ca and www.psepc.gc.ca
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18. Alberta Counter Terrorism Crisis Management Plan
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20. Financial Services data, Corporate Services, 2006

FINANCIAL STATEMENTS

ALBERTA SOLICITOR GENERAL AND PUBLIC SECURITY ANNUAL REPORT 2005 - 2006

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MINISTRY OF THE SOLICITOR GENERAL AND PUBLIC SECURITY

CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2006

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AUDITOR'S REPORT

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Solicitor General as at March 31, 2006 and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
May 19, 2006

CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended March 31, 2006 (in thousands)	2006 Budget (Schedule 3)	2006 Actual	2005 Actual
Revenues (Schedule 1)			
Transfer from the Government of Canada	$ 21,657	$ 21,283	$ 21,401
Investment Income	275	592	377
Fees, Permits and Licences	350	394	352
Other Revenue	18,340	20,755	19,282
	40,622	43,024	41,412
Expenses – Directly Incurred (Note 2b and Schedule 5)			
Voted (Schedule 2)			
Ministry Support Services	14,509	17,382	13,491
Public Security	230,044	237,229	194,800
Correctional Services	145,823	145,803	135,560
	390,376	400,414	343,851
Statutory (Schedule 3)			
Valuation Adjustments			
Provision for Doubtful Accounts	200	231	(105)
Provision for Vacation Pay	67	1,909	717
	267	2,140	612
Regulated Fund			
Victims of Crime	14,596	13,541	13,353
	405,239	416,095	357,816
Net Operating Results	$ (364,617)	$ (373,071)	$ (316,404)

The accompanying notes and schedules are part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2006 (in thousands)	2006	2005
Assets		
Cash	$ 20,996	$ 17,900
Accounts Receivable (Note 3)	21,533	16,286
Advances	2	3
Tangible Capital Assets (Note 4)	3,518	1,752
	$ 46,049	$ 35,941
Liabilities		
Accounts Payable and Accrued Liabilities	$ 66,190	$ 63,603
Net Liabilities		
Net Liabilities at Beginning of Year	(27,662)	(18,627)
Net Operating Results	(373,071)	(316,404)
Net Transfer from General Revenues	380,592	307,369
Net Liabilities at End of Year	(20,141)	(27,662)
	$ 46,049	$ 35,941

The accompanying notes and schedules are part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended March 31, 2006 (in thousands)	2006	2005
Operating Transactions		
Net Operating Results	$ (373,071)	$ (316,404)
Non-cash items included in Net Operating Results		
Amortization	511	285
Loss on Disposal of Capital Assets	10	3
Valuation Adjustments	2,140	612
	(370,410)	(315,504)
(Increase) Decrease in Accounts Receivable	(5,478)	3,935
Decrease in Advances	1	1
Increase in Accounts Payable and Accrued Liabilities	678	10,995
Cash Applied to Operating Transactions	(375,209)	(300,573)
Capital Transactions		
Acquisition of Tangible Capital Assets	(2,352)	(433)
Transfers to Alberta Justice	65	-
Cash Applied to Capital Transactions	(2,287)	(433)
Financing Transactions		
Net Transfer from General Revenues	380,592	307,369
Increase in Cash	3,096	6,363
Cash, Beginning of Year	17,900	11,537
Cash, End of Year	$ 20,996	$ 17,900

The accompanying notes and schedules are part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 AUTHORITY AND PURPOSE

The Solicitor General and Minister of Public Security has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. To fulfill these responsibilities, the Solicitor General and Minister of Public Security administers the organizations listed below. The authority under which each organization operates is also listed. Together, these organizations form the Ministry of the Solicitor General and Public Security.

Organization	Authority
The Department of the Solicitor General and Public Security	*Government Organization Act*
Victims of Crime Fund	*Victims of Crime Act*

The Ministry's purpose is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services and when crime is committed to assist victims of crime.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Ministry of the Solicitor General and Public Security for which the Solicitor General and Minister of Public Security is accountable. These financial statements include the activities of the Department of the Solicitor General and Public Security and the Victims of Crime Fund (a regulated fund).

(b) Basis of Financial Reporting

Basis of Consolidation

The accounts of the Department and the Victims of Crime Fund are consolidated after adjusting them to a basis consistent with the accounting policies described below. There were no eliminating entries required to revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between entities within the Ministry.

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- Grants are recognized as expenses when authorized, the eligibility criteria if any is met, and when a reasonable estimate of amounts can be made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Incurred by Others

Services incurred by other entities in support of the Ministry's operations are disclosed in Schedule 5.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Victims of Crime Fund accounts receivable, recorded as $15,342 (2005 - $14,387) in these financial statements, is subject to measurement uncertainty. These accounts receivable excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the surcharge. Outstanding surcharges expected to be satisfied by other means of $911 (2005 - $1,105) have been deducted from total outstanding surcharges of $15,501 (2005 - $14,799) to arrive at reported revenue and related accounts receivable. The estimate of $911 is based on the actual percentage satisfied in this manner from April 1, 2005 to March 31, 2006. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of $1,030 (2005 - $3,725) in these financial statements, is subject to measurement uncertainty. See Note 7.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 5,486	$ -	$ 5,486	$ 924
Surcharges	16,271	929	15,342	14,387
Other	705	-	705	975
	$ 22,462	$ 929	$ 21,533	$ 16,286

Accounts receivable are unsecured and non-interest bearing.

NOTE 4

		2006			2005
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	10 years	$ 6,448	$ 3,900	$ 2,548	$ 1,117
Computer Hardware and Software	5 years	1,039	293	746	635
Other Capital Assets	40 years	224	-	224	-
Total		$ 7,711	$ 4,193	$ 3,518	$ 1,752

Included in the Computer Hardware and Software is $221 that is not amortized which is work in progress for the Victim Electronic Grants Application System (VEGAS).

Included in the Other Capital Assets is a police monument which is work in progress.

NOTE 5

As at March 31, 2006, the Ministry is committed under contracts, which expire on various dates to March 2012, totaling $499,376 (2005 - $459,288). This includes a commitment for the Provincial Police Service Agreement. The Provincial Police Service Agreement with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. The term of this contract is from April 1, 1992 to March 31, 2012. The cost of this police service agreement was estimated at $135,000 (2005 - $111,795). Under the terms of the agreement, Alberta may terminate the agreement with a two-year notice served on March 31, in any year. The commitment, based on the minimum notice period, is estimated to be $446,960 as at March 31, 2006 (2005 - $417,272), which represents payments for policing services until March 31, 2009.

The Ministry leases vehicles under operating leases, which expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year	(in thousands)
2007	$ 679
2008	430
2009	228
2010	18
Total	$ 1,355

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 CONTRACTUAL OBLIGATIONS (IN THOUSANDS)

Proclamation of the *Victims of Crime Act* in 1997 repealed the *Criminal Injuries Compensation Act*, dissolving the Crimes Compensation Board. The Director under the *Victims of Crime Act* assumed administrative responsibility and the Fund assumed financial responsibility for future obligations associated with the former Board's compensation claims. A number of these claims involve a monthly payment for continuing loss of support or income and/or cost of care. These payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount. Recipients are also expected to advise the Fund of any significant change in circumstance or status between review dates.

In March 2006, thirty nine eligible recipients received a monthly payment (forty one eligible recipients in March 2005). The total estimated amount of all monthly payments to eligible recipients for future years is as follows:

Year	(in thousands)
2007	$ 598
2008	591
2009	591
2010	581
2011	553
2012 and beyond	15,886
Total	$ 18,800

These eligible recipients will continue to be paid in future years if it is determined during the annual review that they continue to meet the eligibility criteria and the payments are approved by the Director.

The Victims of Crime Fund has entered into longer term funding arrangements with organizations for delivery of victim services to communities. These arrangements, subject to satisfaction of reporting and service delivery requirements, are $1,731 in 2006-07 and $1,323 in 2007-08, and $213 in 2008-09.

NOTE 6 CONTINGENCIES (IN THOUSANDS)

As at March 31, 2006, the Ministry is a defendant in seventy one legal claims (2005 – sixty eight legal claims). Sixty three of these claims have specified amounts totaling $43,647 and the remaining eight have no specified amount (2005 – fifty nine claims with a specified amount of $48,525 and nine with no specified amount). Included in the total legal claims are five claims amounting to $7,880 (2005 – three claims amounting to $7,720) in which the Ministry has been jointly named with other entities. Sixty two claims amounting to $30,979 (2005 – sixty claims totaling $35,025) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 7 FINANCIAL BENEFITS (IN THOUSANDS)

As at March 31, 2006, there were six hundred and thirty two (2005 – one thousand one hundred and seven) active applications for financial benefits with the Victims of Crime program. Sufficient information was received to conclude determinations of eligibility and assess injuries on two hundred and twenty nine applications (2005 – fifty three). There were four hundred and three applications (2005 – one thousand fifty four) requiring additional information to make final determinations on individual applications. A liability of $1,096 (2005 - $343) was recorded for individual applications where sufficient information was received to confirm eligibility and where the amount could be determined under regulations to the *Victims of Crime Act*. An additional estimated liability of $1,030 (2005 - $3,725), subject to variation, was recorded based on historical information for those applications with insufficient information to make final determinations. The total amount accrued for financial benefits included in accounts payable and accrued liabilities amount to $2,126 (2005 - $4,068). If actual results differ from historical results, the liability could change by a material amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

Institutional Trust receives and disburses inmate funds used for their personal needs, as well as inmate welfare funds derived from various sources, that are administered on their behalf. As at March 31, 2006, the amount of the trust funds held under administration was $430 (2005 - $247) which was comprised of inmate trust funds of $242 (2005 - $155) and inmate welfare fund equity of $188 (2005 - $92).

NOTE 9

The Ministry has an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of Justice Canada. Proceeds received from Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements.

Amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement with Justice Canada, for the year ended March 31, 2006, are $112 (2005 - $281) and are reflected in the Consolidated Statement of Financial Position.

The Ministry also has a funding agreement with the Government of Canada. Costs incurred under this agreement are made by the Ministry under authority of the Financial Administration Act, Section 25. Accounts receivable includes $128 (2005 - $187) under this agreement and is reflected in the Consolidated Statement of Financial Position.

Amounts paid under agreements on behalf of program sponsors are as follows:

	2006	2005
Government of Canada – *Youth Criminal Justice Act*	$ 42	$ -
Government of Canada – *Youth Justice Renewal Initiative*	86	187
	$ 128	$ 187

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $9,495 for the year ended March 31, 2006 (2005 - $8,140).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of $165,895 (2004 - $268,101) and the Public Service Pension Plan reported a deficiency of $187,704 (2004 - $450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $10,018 (2004 - $9,404).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of $8,699 (2005 - $11,817) and the Management, Opted Out and Excluded Plan an actuarial surplus of $8,309 (2005 - $3,208). The expense for these two plans is limited to employer's annual contributions for the year.

NOTE 11

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 12

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General and Deputy Minister of Public Security.

SCHEDULE TO CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 1 REVENUES

Year Ended March 31, 2006 (in thousands)	2006 Budget	2006 Actual	2005 Actual
Transfer from the Government of Canada			
Young Offenders Program	$ 18,557	$ 17,722	$ 18,103
Federal Inmates Program	2,500	2,915	2,561
Other	600	646	737
	21,657	21,283	21,401
Investment Income – Bank Interest	275	592	377
Fees, Permits and Licences			
Private Investigator Fees	350	394	352
Other Revenue			
Surcharges	18,300	19,906	18,718
Refunds of Expenditures	40	78	17
Miscellaneous	-	771	547
	18,340	20,755	19,282
	$ 40,622	$ 43,024	$ 41,412

SCHEDULE TO CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 2 EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT

Year Ended March 31, 2006 (in thousands)	2006 Budget	2006 Actual	2005 Actual
Voted			
Salaries, Wages and Employee Benefits (a)	$ 145,598	$ 148,201	$ 132,386
Supplies and Services (a)	197,385	185,699	160,494
Grants	47,072	66,049	50,671
Financial Transactions and Other	54	78	56
Amortization of Tangible Capital Assets	267	387	244
Total Voted Expenses	$ 390,376	$ 400,414	$ 343,851
Regulated Fund			
Salaries, Wages and Employee Benefits	$ 1,550	$ 1,500	$ 1,166
Supplies and Services	1,427	1,003	605
Grants	11,551	10,914	11,541
Amortization of Tangible Capital Assets	68	124	41
Total Regulated Fund Expenses	$ 14,596	$ 13,541	$ 13,353

(a) Salaries, wages and employee benefits and supplies and services expenses for Human Resources and Strategic Services programs are shared with the Ministry of Justice until March 31, 2006. Only the Ministry of the Solicitor General and Public Security portion is disclosed in this Schedule.

SCHEDULE TO CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 3 BUDGET

Year Ended March 31, 2006 (in thousands)	2005-2006 Estimates	Authorized Supplementary (a)	2005-2006 Authorized Budget
Revenues			
Transfer from the Government of Canada	$ 21,657	$ -	$ 21,657
Investment Income	275	-	275
Fees, Permits and Licences	350	-	350
Other Revenue	18,340	-	18,340
	40,622	-	40,622
Expenses – Directly Incurred			
Voted			
Ministry Support Services	14,509	397	14,906
Public Security	230,044	5,950	235,994
Correctional Services	145,823	6,039	151,862
	390,376	12,386	402,762
Statutory			
Valuation Adjustments			
Provision for Doubtful Accounts	200	-	200
Provision for Vacation Pay	67	-	67
	267	-	267
Victims of Crime Fund	14,596	-	14,596
Total Expenses	405,239	12,386	417,625
Net Operating Results	$ (364,617)	$ (12,386)	$ (377,003)
Equipment/Inventory Purchases	$ 275	$ -	$ 275

(a) Supplementary Estimates were approved on December 1, 2005 and March 16, 2006.

SCHEDULE TO CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 4 RELATED PARTY TRANSACTIONS

Year Ended March 31, 2006 (in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2006	2005
Expenses – Directly Incurred		
Restructuring and Government Efficiency	$ 3,601	$ 3,664
Information Technology	685	702
Vehicles (CVO/EVO)	54	56
Air Transportation	-	3
Parking	3	3
	$ 4,343	$ 4,428

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 5.

	Other Entities	
	2006	2005
Expenses – Indirectly Incurred by Others		
Accommodation	$ 29,310	$ 27,350
Legal Services	404	397
Other Services	82	2
	$ 29,796	$ 27,749

The Ministry receives services under contracts managed by the Ministry of Restructuring and Government Efficiency (RGE). Any commitments under these contracts are reported by RGE.

SCHEDULE TO CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 5 ALLOCATED COSTS

Year Ended March 31, 2006 (in thousands)

	2006						2005
		Expenses – Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Voted:							
Ministry Support Services	$ 17,382	$ 439	$ 66	$ 470	$	$ 18,357	$ 14,008
Public Security	237,229	946	173	295		238,643	195,893
Correctional Services	145,803	27,846	149	1,107		174,905	162,349
	400,414	29,231	388	1,872		431,905	372,250
Regulated Fund:							
Victims of Crime	13,541	79	16	37	231	13,904	13,313
	$ 413,955	$ 29,310	$ 404	$ 1,909	$ 231	$ 445,809	$ 385,563

(1) Expenses Directly Incurred as per Statement of Operations, excluding valuation adjustments. ($416,095 less $231 less $1,909 = $413,955)

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 4, allocated by square footage and manpower.

(3) Cost shown for Legal Services on Schedule 4, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts were allocated as follows:

- Vacation Pay – allocated to the program by employee.
- Doubtful Accounts Provision – estimated allocation to program.

DEPARTMENT OF THE SOLICITOR GENERAL AND PUBLIC SECURITY

FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2006

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AUDITOR'S REPORT

AUDITOR GENERAL *Alberta*

To the Solicitor General

I have audited the statement of financial position of the Department of Solicitor General as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Depatment. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Depatment as at March 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
May 19, 2006

STATEMENT OF OPERATIONS

Year Ended March 31, 2006 (in thousands)	2006 Budget (Schedule 3)	2006 Actual	2005 Actual
Revenues (Schedule 1)			
Transfer from the Government of Canada	$ 21,657	$ 21,283	$ 21,401
Fees, Permits and Licences	350	394	352
Other Revenue	40	787	564
	22,047	22,464	22,317
Expenses - Directly Incurred (Note 2b and Schedule 7)			
Voted (Schedules 2 and 4)			
Ministry Support Services	14,509	17,382	13,491
Public Security	230,044	237,229	194,800
Correctional Services	145,823	145,803	135,560
	390,376	400,414	343,851
Statutory (Schedules 3 and 4)			
Valuation Adjustments			
Provision for Doubtful Accounts	100		
Provision for Vacation Pay	67	1,872	723
	167	1,872	723
	390,543	402,286	344,574
Net Operating Results	$ (368,496)	$ (379,822)	$ (322,257)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

March 31, 2006 (in thousands)	2006	2005
Assets		
Cash	$ 24	$ 24
Accounts Receivable (Note 3)	6,191	1,899
Advances	2	3
Tangible Capital Assets (Note 4)	3,048	1,348
	$ 9,265	$ 3,274
Liabilities		
Accounts Payable and Accrued Liabilities	$ 63,664	$ 58,443
Net Liabilities		
Net Liabilities at Beginning of Year	(55,169)	(40,281)
Net Operating Results	(379,822)	(322,257)
Net Transfer from General Revenues	380,592	307,369
Net Liabilities at End of Year	(54,399)	(55,169)
	$ 9,265	$ 3,274

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

Year Ended March 31, 2006 (in thousands)	2006	2005
Operating Transactions		
Net Operating Results	$ (379,822)	$ (322,257)
Non-cash items included in Net Operating Results		
Amortization	387	244
Loss on Disposal of Capital Asset	10	3
Valuation Adjustments	1,872	723
	(377,553)	(321,287)
Decrease (Increase) in Accounts Receivable	(4,292)	5,119
Decrease in Advances	1	1
Increase in Accounts Payable and Accrued Liabilities	3,349	9,098
Cash Applied to Operating Transactions	(378,495)	(307,069)
Capital Transactions		
Acquisition of Tangible Capital Assets	(2,162)	(300)
Transfers to Alberta Justice	65	-
Cash Applied to Capital Transactions	(2,097)	(300)
Financing Transactions		
Net Transfer from General Revenues	380,592	307,369
Decrease in Cash	-	-
Cash, Beginning of Year	24	24
Cash, End of Year	$ 24	$ 24

The accompanying notes and schedules are part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 AUTHORITY AND PURPOSE

The Department of the Solicitor General and Public Security operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department's purpose is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Department of the Solicitor General and Public Security, which is part of the Ministry of the Solicitor General and Public Security and for which the Solicitor General and Minister of Public Security is accountable. Other entities reporting to the Minister include the Victims of Crime Fund (a regulated fund). The activities of this organization are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Solicitor General and Minister of Public Security is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- Grants are recognized as expenses when authorized, the eligibility criteria if any is met, and when a reasonable estimate of amounts can be made.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2

Incurred by Others

Services contributed by other entities in support of the Department's operations are disclosed in Schedule 7.

Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net Liabilities represents the difference between the carrying value of assets held by the Department and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTE 3

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 5,486	$ -	$ 5,486	$ 924
Other	705	-	705	975
	$ 6,191	$ -	$ 6,191	$ 1,899

Accounts receivable are unsecured and non-interest bearing.

NOTE 4 TANGIBLE CAPITAL ASSETS (IN THOUSANDS)

	Estimated Useful Life	2006 Cost	2006 Accumulated Amortization	2006 Net Book Value	2005 Net Book Value
Equipment	10 years	$ 6,448	$ 3,900	$ 2,548	$ 1,117
Computer Hardware and Software	5 years	403	127	276	231
Other Capital Assets	40 years	224	-	224	-
Total		$ 7,075	$ 4,027	$ 3,048	$ 1,348

Included in the other Capital Assets is a police monument which is work in progress.

NOTE 5 CONTRACTUAL OBLIGATIONS (IN THOUSANDS)

As at March 31, 2006, the Department is committed under contracts, which expire on various dates to March 2012, totaling $499,376 (2005 - $459,288). This includes a commitment for the Provincial Police Service Agreement. The Provincial Police Service Agreement with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. The term of this contract is from April 1, 1992 to March 31, 2012. The cost of this police service agreement was estimated at $135,000 (2005 - $111,795). Under the terms of the agreement, Alberta may terminate the agreement with a two-year notice served on March 31, in any year. The commitment, based on the minimum notice period, is estimated to be $446,960 as at March 31, 2006 (2005 - $417,272), which represents payments for policing services until March 31, 2009.

The Department leases vehicles under operating leases, which expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year	(in thousands)
2007	$ 679
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2009	228
2010	18
Total	$ 1,355

NOTE 6 CONTINGENCIES (IN THOUSANDS)

As at March 31, 2006, the Department is a defendant in seventy one legal claims (2005 – sixty eight legal claims). Sixty three of these claims have specified amounts totaling $43,647 and the remaining eight have no specified amount (2005 – fifty nine claims with a specified amount of $48,525 and nine with no specified amount). Included in the total legal claims are five claims amounting to $7,880 (2005 – three claims amounting to $7,720) in which the Department was jointly named with other entities. Sixty two claims amounting to $30,979 (2005 – sixty claims totaling $35,025) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 7 TRUST FUNDS UNDER ADMINISTRATION (IN THOUSANDS)

The Department administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Department's financial statements.

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NOTE 8 PAYMENTS UNDER AGREEMENT (IN THOUSANDS)

The Department has an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of Justice Canada. Proceeds received from Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

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Amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement with Justice Canada, for the year ended March 31, 2006, are $112 (2005 - $281) and are reflected in the Statement of Financial Position.

The Department also has a funding agreement with the Government of Canada. Costs incurred under this agreement are made by the Department under authority of the *Financial Administration Act*, Section 25. Accounts receivable includes $128 (2005 - $187) under this agreement and is reflected in the Statement of Financial Position.

Amounts paid under agreements on behalf of program sponsors are as follows:

	2006	2005
Government of Canada – *Youth Criminal Justice Act*	$ 42	$ -
Government of Canada – *Youth Justice Renewal Initiative*	86	187
	$ 128	$ 187

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 DEFINED BENEFIT PLANS (IN THOUSANDS)

The Department participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $9,403 for the year ended March 31, 2006 (2005 - $8,061).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of $165,895 (2004 - $268,101) and the Public Service Pension Plan reported a deficiency of $187,704 (2004 - $450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $10,018 (2004 - $9,404).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of $8,699 (2005 - $11,817) and the Management, Opted Out and Excluded Plan an actuarial surplus of $8,309 (2005 –$3,208). The expense for these two plans is limited to employer's annual contributions for the year.

NOTE 10 COMPARATIVE FIGURES

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General and Deputy Minister of Public Security.

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 1 REVENUES

Year Ended March 31, 2006 (in thousands)	2006 Budget	2006 Actual	2005 Actual
Transfer from the Government of Canada			
Young Offenders Program	$ 18,557	$ 17,722	$ 18,103
Federal Inmates Program	2,500	2,915	2,561
Other	600	646	737
	21,657	21,283	21,401
Fees, Permits and Licences			
Private Investigator Fees	350	394	352
Other Revenue			
Refunds of Expenditure	40	16	17
Miscellaneous	-	771	547
	40	787	564
	$ 22,047	$ 22,464	$ 22,317

SCHEDULE 2 EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT

Year Ended March 31, 2006 (in thousands)	2006 Budget	2006 Actual	2005 Actual
Voted			
Salaries, Wages and Employee Benefits (a)	$ 145,598	$ 148,201	$ 132,386
Supplies and Services (a)	197,385	185,699	160,494
Grants	47,072	66,049	50,671
Financial Transactions and Other	54	78	56
Amortization of Tangible Capital Assets	267	387	244
Total Voted Expenses	$ 390,376	$ 400,414	$ 343,851

(a) Salaries, wages and employee benefits and supplies and services expenses for Human Resources and Strategic Services programs were shared with the Ministry of Justice until March 31, 2006. Only the Department of the Solicitor General portion is disclosed in this schedule.

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 3 BUDGET

Year Ended March 31, 2006 (in thousands)	2005-2006 Estimates	Authorized Supplementary (a)	2005-2006 Authorized Budget
Revenues			
Transfer from the Government of Canada	$ 21,657	$ -	$ 21,657
Fees, Permits and Licences	350	-	350
Other Revenue	40	-	40
	22,047	-	22,047
Expenses – Directly Incurred			
Voted			
Ministry Support Services	14,509	397	14,906
Public Security	230,044	5,950	235,994
Correctional Services	145,823	6,039	151,862
	390,376	12,386	402,762
Statutory			
Valuation Adjustments			
Provision for Doubtful Accounts	100	-	100
Provision for Vacation Pay	67	-	67
	167	-	167
Total Expenses	390,543	12,386	402,929
Net Operating Results	$ (368,496)	$ (12,386)	$ (380,882)
Equipment/Inventory Purchases	$ 180	$ -	$ 180

(a) Supplementary Estimates were approved on December 1, 2005 and March 16, 2006.

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 4 COMPARISON OF EXPENSES - DIRECTLY INCURRED, EQUIPMENT/INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET

DEPARTMENT SUMMARY

Year Ended March 31, 2006 (in thousands)

Program	2005-2006 Estimates	Authorized Supplementary (a)	2005-2006 Authorized Budget	2005-2006 Actual Expense (b)	Unexpended (Over Expended)
Voted Operating and Equipment/Inventory Purchases					
1 Ministry Support Services	$ 14,509	$ 397	$ 14,906	$ 17,620	$ (2,714)
2 Public Security	230,074	5,950	236,024	237,968	(1,944)
3 Correctional Services	145,973	6,039	152,012	146,988	5,024
	$ 390,556	$ 12,386	$ 402,942	$ 402,576	$ 366
Operating Expenses	$ 390,376	$ 12,386	$ 402,762	$ 400,414	$ 2,348
Equipment/Inventory Purchases	180	-	180	2,162	(1,982)
	$ 390,556	$ 12,386	$ 402,942	$ 402,576	$ 366
Statutory Expenses					
Valuation Adjustments	$ 167	$ -	$ 167	$ 1,872	$ (1,705)
	$ 167	$ -	$ 167	$ 1,872	$ (1,705)

(a) Supplementary Estimates were approved December 1, 2005 and March 16, 2006.
(b) Includes achievement bonus amounting to $1,243.

SCHEDULE 4 COMPARISON OF EXPENSES - DIRECTLY INCURRED, EQUIPMENT/INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET

PROGRAM 1 - Ministry SUPPORT SERVICES

Year Ended March 31, 2006 (in thousands)

Program	2005-2006 Estimates	Authorized Supplementary (a)	2005-2006 Authorized Budget	2005-2006 Actual Expense (b)	Unexpended (Over Expended)
1.0.1 Minister's Office	$ 350	$ 20	$ 370	$ 369	$ 1
1.0.2 Deputy Minister's Office	510	47	557	555	2
1.0.3 Communications	352	12	364	412	(48)
1.0.4 Strategic Services					
Operating Expenses	3,440	162	3,602	3,857	(255)
Equipment/Inventory Purchases	-	-	-	36	(36)
1.0.5 Human Resources	946	44	990	1,540	(550)
1.0.6 Information Management					
Operating Expenses	3,468	112	3,580	5,102	(1,522)
Equipment/Inventory Purchases	-	-	-	202	(202)
1.0.7 Shared Support Services	5,438	-	5,438	5,477	(39)
1.0.8 Amortization of Tangible Capital Assets	5	-	5	70	(65)
TOTAL PROGRAM	$ 14,509	$ 397	$ 14,906	$ 17,620	$ (2,714)

(a) Supplementary Estimates were approved December 1, 2005 and March 16, 2006.
(b) Includes achievement bonus amounting to $1,243

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 4 COMPARISON OF EXPENSES - DIRECTLY INCURRED, EQUIPMENT/INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET

PROGRAM 2 – PUBLIC SECURITY

Year Ended March 31, 2006 (in thousands)

Program	2005-2006 Estimates	Authorized Supplementary (a)	2005-2006 Authorized Budget	2005-2006 Actual Expense (b)	Unexpended (Over Expended)
2.1 Program Support					
2.1.1 Program Support Services	$ 752	$ 42	$ 794	$ 740	$ 54
2.1.2 Law Enforcement Review Board	185	4	189	398	(209)
2.1.3 Amortization of Tangible Capital Assets	98	-	98	102	(4)
Total Sub-program	1,035	46	1,081	1,240	(159)
2.2 Policing Programs					
2.2.1 Crime Prevention	1,676	11	1,687	2,003	(316)
2.2.2 Provincial Policing Programs	152,791	4,960	157,751	160,231	(2,480)
2.2.3 First Nations Policing	6,558	102	6,660	6,556	104
2.2.4 Policing Assistance to Municipalities	43,244	-	43,244	43,016	228
2.2.5 Special Policing Assistance					
Operating Expenses	2,300	-	2,300	1,856	444
Equipment/Inventory Purchases	-	-	-	224	(224)
Total Sub-program	206,569	5,073	211,642	213,886	(2,244)
2.3 Security Services Branch					
2.3.1 Protection Services					
Operating Expenses	4,905	143	5,048	5,403	(355)
Equipment/Inventory Purchases	30	-	30	33	(3)
2.3.2 Security Operations					
Operating Expenses	17,535	688	18,223	16,924	1,299
Equipment/Inventory Purchases	-	-	-	482	(482)
Total Sub-program	22,470	831	23,301	22,842	459
Total Program	$ 230,074	$ 5,950	$ 236,024	$ 237,968	$ (1,944)

(a) Supplementary Estimates were approved December 1, 2005 and March 16, 2006.
(b) Includes achievement bonus amounting to $1,243.

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 4 COMPARISON OF EXPENSES - DIRECTLY INCURRED, EQUIPMENT/INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET

PROGRAM 3 - CORRECTIONAL SERVICES

Year Ended March 31, 2006 (in thousands)

Program	2005-2006 Estimates	Authorized Supplementary (a)	2005-2006 Authorized Budget	2005-2006 Actual Expense (b)	Unexpended (Over Expended)
3.1 Program Support					
3.1.1 Program Support Services	$ 4,167	$ 203	$ 4,370	$ 3,631	$ 739
3.1.2 Amortization of Tangible Capital Assets	164	-	164	194	(30)
Total Sub-program	4,331	203	4,534	3,825	709
3.2 Institutional Services					
3.2.1 Adult Remand and Correctional Centres					
Operating Expenses	92,969	4,040	97,009	94,522	2,487
Equipment/Inventory Purchases	150	-	150	1,128	(978)
3.2.2 Young Offender Centres					
Operating Expenses	19,043	868	19,911	19,145	766
Equipment/Inventory Purchases	-	-	-	57	(57)
Total Sub-program	112,162	4,908	117,070	114,852	2,218
3.3 Community Correctional Services					
3.3.1 Community Corrections	17,248	783	18,031	17,820	211
3.3.2 Young Offender Services	5,196	145	5,341	3,769	1,572
Total Sub-program	22,444	928	23,372	21,589	1,783
3.4 Purchased Community Services					
3.4.1 Community Residential Centres	3,706	-	3,706	3,496	210
3.4.2 Community Service Contracts	3,330	-	3,330	3,226	104
Total Sub-program	7,036	-	7,036	6,722	314
Total Program	$ 145,973	$ 6,039	$ 152,012	$ 146,988	$ 5,024

(a) Supplementary Estimates were approved December 1, 2005 and March 16, 2006.
(b) Includes achievement bonus amounting to $1,243.

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 5 SALARY AND BENEFITS DISCLOSURE

Year Ended March 31, 2006	2006				2005
	Base Salary (1)	Other Cash Benefits (2)	Other Non Cash Benefits (3)	Total	Total
Deputy Minister (4)	$ 192,197	$ 46,000	$ 41,954	$ 280,151	$ 292,605
Assistant Deputy Minister, Correctional Services (5)	146,284	14,979	32,244	193,507	177,824
Assistant Deputy Minister, Public Security	142,271	29,000	31,430	202,701	177,691
Senior Financial Officer, Corporate Services (6)	121,211	24,000	29,380	174,591	153,353
Executive Director, Human Resources (7)	125,538	24,000	28,591	178,129	162,249
Executive Director, Information Technology (8)	72,814	24,000	17,960	114,774	
Director, Aboriginal Justice Initiatives	102,264	15,325	25,532	143,121	128,068

Prepared in accordance with Treasury Board Directive 03/2004.

Total salary and benefits relating to a position are disclosed.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances.

(5) This position was occupied by two individuals through the year.

(6) On March 14, 2005, the Ministry created the Senior Financial Officer (SFO) position. In 2004-2005, the SFO function was shared with Alberta Justice and reported to the Assistant Deputy Minister of Strategic Services. Comparative salary figures for 2004-2005 reflect the shared SFO position.

(7) The position was occupied by two individuals through the year. For the period of April to June 2005, the incumbent's services were shared with the Ministry of Justice. No cash benefits are reported for the incumbent as they will be paid by the Ministry of Justice.

(8) On September 16, 2005, the Ministry created the Executive Director, Information Technology position. The individual who filled this position was the Executive Director of Strategic Management Services, who was shared with Alberta Justice.

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 6 RELATED PARTY TRANSACTIONS

Year Ended March 31, 2006 (in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2006	2005
Expenses – Directly Incurred		
Restructuring and Government Efficiency	$ 3,592	$ 3,656
Information Technology	685	702
Vehicles (CVO/EVO)	54	56
Air Transportation	-	3
Parking	3	3
	$ 4,334	$ 4,420

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 7.

	Other Entities	
	2006	2005
Expenses – Incurred by Others		
Accommodation	$ 29,231	$ 27,280
Legal Services	388	396
Other Services	-	2
Air Transportation	82	-
	$ 29,701	$ 27,678

The Department receives services under contracts managed by the Ministry of Restructuring and Government Efficiency (RGE). Any commitments under these contracts are reported by RGE.

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 7 ALLOCATED COSTS

Year Ended March 31, 2006 (in thousands)

	2006						2005
	Expenses	Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Ministry Support Services	$ 17,382	$ 439	$ 66	$ 470	$ –	$ 18,357	$ 14,008
Public Security	237,229	946	173	295	–	238,643	195,893
Correctional Services	145,803	27,846	149	1,107	–	174,905	162,349
	$ 400,414	$ 29,231	$ 388	$ 1,872	$ –	$ 431,905	$ 372,250

(1) Expenses-Directly Incurred as per Statement of Operations, excluding valuation adjustments. ($402,286 less $1,872 = $400,414)

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 6, allocated by square footage.

(3) Cost shown for Legal Services on Schedule 6, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits for vacation pay was allocated to the program by employee.

VICTIMS OF CRIME FUND

FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2006

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AUDITOR'S REPORT

AUDITOR GENERAL *Alberta*

To the Solicitor General

I have audited the statement of financial positions of the Victims of Crime Fund as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
May 19, 2006

STATEMENT OF OPERATIONS

Year Ended March 31, 2006 (in thousands)	2006 Budget (Schedule 1)	2006 Actual	2005 Actual
Revenues			
Investment Income			
Bank Interest	$ 275	$ 592	$ 377
Other Revenue			
Federal Surcharge	800	876	835
Provincial Fine Surcharge	17,500	19,030	17,795
Expenditure Refunds	-	62	88
	18,575	20,560	19,095
Expenses – Directly Incurred (Notes 2b and 10)			
Program Costs			
Financial Benefits	8,292	7,837	9,024
Victims Programs	5,629	4,790	3,618
Criminal Injuries Review Board	289	373	316
Administration	386	541	395
	14,596	13,541	13,353
Valuation Adjustments			
Provision for Doubtful Accounts	100	231	(105)
Provision for Vacation Pay	-	37	(6)
	100	268	(111)
	14,696	13,809	13,242
Net Operating Results	$ 3,879	$ 6,751	$ 5,853

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

March 31, 2006 (in thousands)	2006	2005
Assets		
Cash (Note 3)	$ 20,972	$ 17,876
Accounts Receivable (Note 4)	15,342	14,387
Tangible Capital Assets (Note 5)	470	404
	$ 36,784	$ 32,667
Liabilities		
Accounts Payable and Accrued Liabilities	$ 2,526	$ 5,160
Net Assets (Note 2b)		
Net Assets at Beginning of Year	27,507	21,654
Net Operating Results	6,751	5,853
Net Assets at End of Year	34,258	27,507
	$ 36,784	$ 32,667

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

Year Ended March 31, 2006 (in thousands)	2006	2005
Operating Transactions		
Net Operating Results	$ 6,751	$ 5,853
Amortization	124	41
Valuation Adjustments	(268)	(111)
Increase in Accounts Receivable	(724)	(1,184)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(2,597)	1,897
Cash Provided by Operating Transactions	3,286	6,496
Capital Transactions		
Acquisition of Tangible Capital Assets	(190)	(133)
Cash applied to Capital Transactions	(190)	(133)
Increase in Cash	3,096	6,363
Cash, Beginning of Year	17,876	11,513
Cash, End of Year	$ 20,972	$ 17,876

The accompanying notes and schedules are part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 AUTHORITY AND PURPOSE

The Victims of Crime Fund (the "Fund"), a regulated fund held and administered by the Minister of Finance, operates under the authority of the *Victims of Crime Act*, Chapter V-3, Revised Statutes of Alberta 2000. The Solicitor General and Minister of Public Security is responsible for the Fund under the authority of the *Government Organization Act*, Statutes of Alberta.

The purpose of the Fund is to provide grants to victims' programs and to pay benefits to victims, or their dependants, who suffer injury or death as the result of a criminal offence specified in the regulations of the *Victims of Crime Act*, using provincial and federal fine surcharge revenues.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies.

(a) Reporting Entity

The reporting entity is the Victims of Crime Fund, which is part of the Ministry of the Solicitor General and Public Security and for which the Solicitor General and Minister of Public Security is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Fund has primary responsibility and accountability for. Expenses represent the costs of the victims program, the costs of the financial benefits program and administration costs. Grants are recorded as expenses when approved by the Ministry of Solicitor General and Public Security and all terms and conditions of eligibility for payment have been met. Financial benefits are recorded as an expense when the obligation to pay is likely and the amount payable on applications submitted can be reasonably estimated. In addition to program operating expenses like salaries, supplies etc., directly incurred expenses also include:

- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- Grants are recognized as expenses when authorized, the eligibility criteria if any is met, and when a reasonable estimate of the amounts can be made.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Incurred by Others

Services incurred by other entities in support of the Fund's operations are disclosed in Schedule 3.

Assets

Financial assets of the Fund are limited to cash and accounts receivable.

Tangible capital assets of the Fund are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new system development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Fund and its liabilities.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Accounts receivable, recorded as $15,342 (2005 - $14,387) in these financial statements, is subject to measurement uncertainty. Victims of Crime Fund accounts receivable excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the surcharge. Outstanding surcharges expected to be satisfied by other means of $911 (2005 - $1,105) have been deducted from total outstanding surcharges of $15,501 (2005 - $14,799) to arrive at reported revenue and related accounts receivable. The estimate of $911 is based on the actual percentage satisfied in this manner from April 1, 2005 to March 31, 2006. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of $1,030 (2005 - $3,725) in these financial statements, is subject to measurement uncertainty. See Note 8.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTE 3 CASH

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. The Fund earns interest on its daily cash balance at the average rate of earnings of the CCITF, which may vary depending on prevailing market interest rates.

NOTE 4 ACCOUNTS RECEIVABLE (IN THOUSANDS)

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Surcharge				
Provincial	$ 14,294	$ 435	$ 13,859	$ 12,657
Federal	1,977	494	1,483	1,730
Accounts Receivable	$ 16,271	$ 929	$ 15,342	$ 14,387

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 TANGIBLE CAPITAL ASSETS (IN THOUSANDS)

		2006			2005
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Hardware and Software	5 years	$ 636	$ 166	$ 470	$ 404
Total		$ 636	$ 166	$ 470	$ 404

Included in the Computer Hardware and Software is $221 that is not amortized which is work in progress for the Victim Electronic Grants Application System (VEGAS).

NOTE 6 CONTRACTUAL OBLIGATIONS (IN THOUSANDS)

Proclamation of the *Victims of Crime Act* in 1997 repealed the *Criminal Injuries Compensation Act*, dissolving the Crimes Compensation Board. The Director under the *Victims of Crime Act* assumed the administrative responsibility and the Fund assumed financial responsibility for future obligations associated with the former Board's compensation claims. A number of these claims involve a monthly payment for continuing loss of support or income and/or cost of care. These payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount. Recipients are also expected to advise the Fund of any significant change in circumstance or status between review dates.

In March 2006, thirty nine eligible recipients received a monthly payment (forty one eligible recipients in March 2005). The estimated amount of all payments to eligible recipients for future years is as follows:

Year	(in thousands)
2007	$ 598
2008	591
2009	591
2010	581
2011	553
2012 and beyond	15,886
Total	$ 18,800

These eligible recipients will continue to be paid in future years if it is determined during the annual review that they continue to meet the eligibility criteria and the payments are approved by the Director.

NOTE 7 VICTIMS PROGRAMS (IN THOUSANDS)

The Fund has entered into longer term funding arrangements with organizations for delivery of victim services to communities. These arrangements, subject to satisfaction of reporting and service delivery requirements, are $1,731 in 2006-07, $1,323 in 2007-08, and $213 in 2008-09.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 FINANCIAL BENEFITS (IN THOUSANDS)

As at March 31, 2006, there were six hundred and thirty two (2005 – one thousand one hundred and seven) active applications for financial benefits with the Victims of Crime program. Sufficient information was received to conclude determinations of eligibility and assess injuries on two hundred and twenty nine applications (2005 – fifty three). There were four hundred and three applications (2005 – one thousand fifty four) requiring additional information to make final determinations on individual applications. A liability of $1,096 (2005 - $343) was recorded for individual applications where sufficient information was received to confirm eligibility and where the amount could be determined under regulations to the *Victims of Crime Act*. An additional estimated liability of $1,030 (2005 - $3,725), subject to variation, was recorded based on historical information for those applications with insufficient information to make final determinations. The total amount accrued for financial benefits included in accounts payable and accrued liabilities amount to $2,126 (2005 - $4,068). If actual results differ from historical results, the liability could change by a material amount.

NOTE 9 DEFINED BENEFIT PLANS (IN THOUSANDS)

The Fund participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Fund also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $92 for the year ended March 31, 2006 (2005 - $79).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of $165,895 (2004 - $268,101) and the Public Service Pension Plan reported a deficiency of $187,704 (2004 - $450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $10,018 (2004 - $9,404).

The Fund also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of $8,699 (2005 - $11,817) and the Management, Opted Out and Excluded Plan an actuarial surplus of $8,309 (2005 – $3,208). The expense for these two plans is limited to employer's annual contributions for the year.

NOTE 10 EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT (IN THOUSANDS)

	2006		2005
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	$ 1,550	$ 1,500	$ 1,166
Supplies and Services	1,427	1,003	605
Grants	11,551	10,914	11,541
Amortization	68	124	41
Total Fund Expenses	$ 14,596	$ 13,541	$ 13,353

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11

Salary and benefits disclosure pursuant to Treasury Board Directive 03/2004 is not included as management decisions on the Fund are made by Senior Officials of the Department of the Solicitor General and Public Security.

NOTE 12

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General and Deputy Minister of Public Security.

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 1 COMPARISON OF EXPENSES DIRECTLY INCURRED AND EQUIPMENT/INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET

Year Ended March 31, 2006 (in thousands)

Program	2005-2006 Budget	Treasury Board Authorized	2005-2006 Authorized Budget	2005-2006 Actual Expense (a)	Unexpended (Over Expended)
Expenses					
1 Financial Benefits	$ 8,292	$ -	$ 8,292	$ 7,837	$ 455
2 Victims Programs	5,629	-	5,629	4,790	839
3 Criminal Injuries Review Board	289	-	289	373	(84)
4 Administration	386	-	386	541	(155)
	$ 14,596	$ -	$ 14,596	$ 13,541	$ 1,055
Operating Expenses	$ 14,596	$ -	$ 14,596	$ 13,541	$ 1,055
Equipment/Inventory Purchases	95		95	190	(95)
	$ 14,691	$ -	$ 14,691	$ 13,731	$ 960
Statuatory Expenses					
Valuation Adjustments	$ 100	$ -	$ 100	$ 268	$ (168)
	$ 100	$ -	$ 100	$ 268	$ (168)

(a) Includes achievement bonus amounting to $31

SCHEDULE 2 RELATED PARTY TRANSACTIONS

Year Ended March 31, 2006 (in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management of the Fund.

The Fund and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Fund had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2006	2005
Expenses – Directly Incurred		
Restructuring and Government Efficiency	$ 9	$ 8
	$ 9	$ 8

The Fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 3.

	Other Entities	
	2006	2005
Expenses – Incurred by Others		
Accommodation	$ 79	$ 70
Legal Services	16	1
	$ 95	$ 71

The Fund receives services under contracts managed by the Ministry of Restructuring and Government Efficiency. Any commitments under these contracts are reported by the Ministry of Restructuring and Government Efficiency.

SCHEDULE TO FINANCIAL STATEMENTS

SCHEDULE 3 ALLOCATED COSTS

Year Ended March 31, 2006 (in thousands)

	2006						2005
	Expenses	Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Regulated Fund:							
Financial Benefits	$ 7,937	$ 29	$ -	$ (11)	$ 136	$ 8,091	$ 8,992
Victims Programs	4,690	30	-	32	80	4,832	3,612
Criminal Injuries Review Board	373	10	16	-	6	405	316
Administration	541	10	-	16	9	576	393
	$ 13,541	$ 79	$ 16	$ 37	$ 231	$ 13,904	$ 13,313

(1) Expenses-Directly Incurred as per Statement of Operations, excluding valuation adjustments. ($13,809 less $268 = $13,541).

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by manpower.

(3) Costs shown for Legal Services on Schedule 2, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts were allocated as follows:

- Vacation Pay – allocated to the program by employee.
- Doubtful Accounts Provision – estimated allocation to program.

ALPHABETICAL LIST OF GOVERNMENT ENTITIES FINANCIAL STATEMENTS

ALBERTA SOLICITOR GENERAL AND PUBLIC SECURITY ANNUAL REPORT 2005 - 2006

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Access to the Future Fund	Advanced Education
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Local Authorities Pension Plan Corporation	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors and Community Supports
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Advanced Education	Advanced Education
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Department of Innovation and Science	Innovation and Science
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development	Aboriginal Affairs and Northern Development
Ministry of Advanced Education	Advanced Education
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environment	Environment
Ministry of Executive Council	Executive Council
Ministry of Finance	Finance
Ministry of Gaming	Gaming
Ministry of Government Services	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment	Human Resources and Employment
Ministry of Infrastructure and Transportation	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations	International and Intergovernmental Relations
Ministry of Justice	Justice
Ministry of Municipal Affairs	Municipal Affairs
Ministry of Restructuring and Government Efficiency	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Safety Codes Council	Municipal Affairs
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Community Development

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

SCHOOL, UNIVERSITIES, COLLEGES ND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

School Boards and Schools	Ministry Annual Report
Almadina School Society	Education
Aspen View Regional Division No. 19	Education
Aurora School Ltd.	Education
Battle River Regional Division No. 31	Education
Black Gold Regional Division No. 18	Education
Boyle Street Education Centre	Education
Buffalo Trail Public Schools Regional Division No. 28	Education
Calgary Arts Academy Society	Education
Calgary Girls' School Society	Education
Calgary Roman Catholic Separate School District No. 1	Education
Calgary School District No. 19	Education
Calgary Science School Society	Education
Canadian Rockies Regional Division No. 12	Education
CAPE-Centre for Academic and Personal Excellence Institute	Education
Chinook's Edge School Division No. 73	Education
Christ the Redeemer Catholic Separate Regional Division No. 3	Education
Clearview School Division No. 71	Education
East Central Alberta Catholic Separate Schools Regional Division No. 16	Education
East Central Francophone Education Region No. 3	Education
Edmonton Catholic Separate School District No. 7	Education
Edmonton School District No. 7	Education
Elk Island Catholic Separate Regional Division No. 41	Education
Elk Island Public Schools Regional Division No. 14	Education
Evergreen Catholic Separate Regional Division No. 2	Education

SCHOOL, UNIVERSITIES, COLLEGES ND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

School Boards and Schools	Ministry Annual Report
Foothills School Division No. 38	Education
Fort McMurray Roman Catholic Separate School District No. 32	Education
Fort McMurray School District No. 2833	Education
Fort Vermilion School Division No. 52	Education
Foundations for the Future Charter Academy Charter School Society	Education
Golden Hills School Division No. 75	Education
Grande Prairie Roman Catholic Separate School District No. 28	Education
Grande Prairie Public School District No. 2357	Education
Grande Yellowhead Regional Division No. 35	Education
Grasslands Regional Division No. 6	Education
Greater North Central Francophone Education Region No. 2	Education
Greater Southern Public Francophone Education Region No. 4	Education
Greater Southern Separate Catholic Francophone Education Region No. 4	Education
Greater St. Albert Catholic Regional Division No. 29	Education
High Prairie School Division No. 48	Education
Holy Family Catholic Regional Division No. 37	Education
Holy Spirit Roman Catholic Separate Regional Division No. 4	Education
Horizon School Division No. 67	Education
Lakeland Roman Catholic Separate School District No. 150	Education
Lethbridge School District No. 51	Education
Living Waters Catholic Regional Division No. 42	Education
Livingstone Range School Division No. 68	Education
Medicine Hat Catholic Separate Regional Division No. 20	Education
Medicine Hat School District No. 76	Education
Moberly Hall School Society	Education
Mother Earth's Children's Charter School Society	Education
New Horizons Charter School Society	Education
Northern Gateway Regional Division No. 10	Education
Northern Lights School Division No. 69	Education
Northland School Division No. 61	Education
Northwest Francophone Education Region No. 1	Education
Palliser Regional Division No. 26	Education
Parkland School Division No. 70	Education
Peace River School Division No. 10	Education
Peace Wapiti School Division No. 76	Education
Pembina Hills Regional Division No. 7	Education
Prairie Land Regional Division No. 25	Education
Prairie Rose Regional Division No. 8	Education
Red Deer Catholic Regional Division No. 39	Education
Red Deer School District No. 104	Education
Rocky View School Division No. 41	Education
St. Albert Protestant Separate School District No. 6	Education
St. Paul Education Regional Division No. 1	Education
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	Education
Sturgeon School Division No. 24	Education
Suzuki Charter School Society	Education
Westmount Charter School Society	Education
Westwind School Division No. 74	Education
Wetaskiwin Regional Division No. 11	Education
Wild Rose School Division No. 66	Education
Wolf Creek School Division No. 72	Education

SCHOOL, UNIVERSITIES, COLLEGES ND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS4

	Ministry Annual Report
Universities	
Athabasca University	Advanced Education
The University of Alberta	Advanced Education
The University of Calgary	Advanced Education
The University of Lethbridge	Advanced Education
Colleges	
Alberta College of Art and Design	Advanced Education
Bow Valley College	Advanced Education
Grande Prairie Regional College	Advanced Education
Grant MacEwan College	Advanced Education
Keyano College	Advanced Education
Lakeland College	Advanced Education
Lethbridge Community College	Advanced Education
Medicine Hat College	Advanced Education
Mount Royal College	Advanced Education
NorQuest College	Advanced Education
Northern Lakes College	Advanced Education
Olds College	Advanced Education
Portage College	Advanced Education
Red Deer College	Advanced Education
Technical Institutes and The Banff Centre	
Northern Alberta Institute of Technology	Advanced Education
Southern Alberta Institute of Technology	Advanced Education
The Banff Centre for Continuing Education	Advanced Education
Regional Health Authorities and Other Health Institutions	
Alberta Cancer Board	Health and Wellness
Alberta Mental Health Board	Health and Wellness
Aspen Regional Health Authority	Health and Wellness
Calgary Health Region	Health and Wellness
Capital Health	Health and Wellness
Chinook Regional Health Authority	Health and Wellness
David Thompson Regional Health Authority	Health and Wellness
East Central Health	Health and Wellness
Northern Lights Regional Health Authority	Health and Wellness
Peace Country Health	Health and Wellness
Palliser Health Region	Health and Wellness

[1] Established July 10, 2005.

[2] Incorporated December 16, 2005.

[3] Ministry includes only the departments so separate departmental financial statements are not necessary.

[4] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

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